

Marlow Foods Limited
Annual report and financial statements
for the year ended 31 December 2025

Registered number: 01752242

Marlow Foods Limited

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Marlow Foods Limited

Company Information

Directors

Mr M G Bertacca (resigned 17 March 2025)
Mr D C F Flochel (appointed 17 March 2025)
Mr N I Cooper

Company Secretary

Mr M P Maplesden

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Marlow Foods Limited

Strategic Report

Principal activities

The principal trading activity of Marlow Foods Limited (the “Company” or “MFL”) and its subsidiaries (“the Group”) during the year was the manufacture, distribution and sale of Quorn and Cauldron branded products. These activities will continue for the foreseeable future.

MFL is a wholly owned subsidiary of its immediate parent, Monde Nissin (UK) Limited (“MNUK”), whose ultimate parent is Monde Nissin Corporation (“MNC”) which is a major international food business listed in the Philippines. MFL trades using the name Quorn Foods.

The Group manufactures, distributes, and sells Quorn branded products in the UK, Europe, Australia, New Zealand, South East Asia, and the United States of America, alongside Cauldron branded products in the UK. The business operates through different manufacturing and distribution models depending on the nature of the distribution channel of the country involved. As part of this the Group also sells mycoprotein as an ingredient to business customers in the food industry and it distributes and sells Quorn products to customers serving the out-of-home market under the Quorn Pro brand.

Quorn, the Quorn logo, Cauldron, the Cauldron logo, Quorn Pro and the Quorn Pro logo are registered trademarks of MFL.

Trading

The Group’s 2025 revenue decreased by 1.2% to £184.5m driven by a continued decline in the meat free retail category in the UK and US markets and lower sales in the out-of-home division.

Revenue	2025 £m	2024 £m	%
Retail	145.5	149.5	-2.7%
Out-of-home	33.5	34.8	-3.7%
Other	5.5	2.4	+129.2%
Total	184.5	186.7	-1.2%

In spite of these challenging market conditions, 2025 was a year in which the business made progress in key areas:

- In the retail category, the Group strengthened its leadership in the UK market with a share of 31.2%, up 0.9pts year-on-year¹, supported by its investment in the award winning “So Tasty Why Choose The Alternative” marketing campaign for its Quorn snacking products, as well as a “Nothing to Hide” campaign supporting the reformulated Quorn frozen ingredients range with no artificial ingredients.
- The Out-of-Home category continued to benefit from growth in KFC restaurants across Europe alongside successful campaigns with Greggs in the UK.

¹ Source: NIQ value share 52 weeks ending 27th December 2025

Marlow Foods Limited

Strategic Report (continued)

Trading (continued)

In addition to this, the Group continued its transformation program designed to increase operating agility and cost efficiency, return the business to profitability, and generate funds for future growth. Key aspects of the program include:

- Continuing cost and efficiency control in UK operations which were restructured in the prior year, streamlining commercial, R&D and support functions while preserving key innovation and customer facing capabilities.
- An ongoing program to transform the efficiency and flexibility of its supply chain operations through a program which focuses on greater efficiency, improved flow between supply locations and the upskilling of supply chain teams. This has already realised a significant positive effect on gross margins and cash generation and is expected to continue through 2026.

During 2025 the group incurred costs which were exceptional in nature in relation to the continuation of this transformation program. These costs included asset impairments of £4.4m, redundancies and related legal costs of £3.2m and transformation project management costs of £0.9m. It is anticipated that further exceptional costs will be incurred in future to complete the transformation program outlined above.

The Group generated gross profit of £40.2m during the year comprising underlying gross profit of £46.5m partially offset by exceptional costs of £6.3m relating to the supply chain impact of the transformation program described above. Underlying gross profit of £46.5m was £6.7m higher than the prior year due to underlying gross margin improving 390bps to 25.2% largely driven by the impact of the transformation program combined with targeted price increases, partially offset by the impact of lower production and sales volumes.

The Group continued to focus on cash during the year and generated £12.6m of cash from operating activities (2024: (£12.8m)) with cash on hand decreasing by £7.6m to £13.3m largely due to the early repayment of debt facilities. This performance was driven by a reduction in inventories and reduced supply chain cycle times while preserving high customer service levels. Inventory efficiency is a key element of the Group's supply chain transformation program and although the most significant improvements have been made during 2024 and 2025 there remains scope for further gradual reductions. With these steps and a broader focus on working capital it is expected that the Group can continue to generate sufficient cash to cover day to day trading without funding from Monde Nissin Corporation.

The Group recorded an operating loss of £14.5m made up of an underlying operating loss of £6.0m and exceptional expenses of £8.5m. The underlying operating loss of £6.0m was £6.2m lower than the underlying prior year loss driven by the impact of the transformation program, which resulted in a significant increase in gross margin and reduction in administrative expenses, partially offset by increased investment in selling expenses to promote the Quorn brand in the UK.

Marlow Foods Limited

Strategic Report (continued)

Streamlined Energy and Carbon Reporting

Introduction

The following covers our statutory reporting for Streamlined Energy and Carbon Reporting (“SECR”) in respect of the Group which includes disclosure of the Company’s carbon emissions as required under the Company’s Act 2006 / SECR regulations for Large Companies.

The SECR statement covers the reporting periods from 1 January 2023 to 31 December 2023 to 1 January 2025 to 31 December 2025. The statement has been prepared in line with the requirements of the SECR regulations and the relevant areas of the Greenhouse Gas (“GHG”) Protocol Corporate Accounting and Reporting Standard.

Sustainability

Mycoprotein is a sustainable source of protein that not only has a lower carbon footprint than comparable animal proteins² but also has proven health benefits. MFL is the first scale producer of mycoprotein in the world and has 40 years of experience in its manufacture.

For further information please visit www.quorn.co.uk/company/sustainability

Environmental Impact

Over the ten years from 2012 to 2022, significant improvements were seen in our greenhouse gas emissions, with an 84% reduction in Scope 1 and Scope 2 emissions in absolute terms since our baseline year of 2012, representing an 88% reduction relative to production. A major driver of this reduction was the switch to renewable energy sources and to lower-carbon fuel alternatives. By the end of 2022, 64% of all energy used was from renewable sources.

In the years 2022-2024, emissions per tonne increased year-on-year, driven primarily by falling production volumes combined with the fixed nature of some energy consumption within the supply chain. In 2025 emissions decreased to 0.41TCO_{2e}/T from 0.43TCO_{2e}/T in 2024, due to energy efficiency improvements and higher production volumes.

The group’s scope 1 + 2 emissions targets are currently under review, with plans to submit targets for validation to the Science Based Targets initiative by the end of 2026. The three strategies to achieving emissions reductions are:

1. Reducing the energy footprint of operations
2. Procuring energy that has no carbon footprint
3. Removing residual emissions, including where reasonable, using carbon offsetting schemes.

The Group has made progress in these areas, most notably by switching to renewable electricity in 2021. GHG emissions per tonne of production decreased from 0.43 in 2024 to 0.41 in 2025, due to on-site energy improvement activities and higher production volumes.

In 2023, the Group set a target of achieving a 30% reduction of Scope 3 emissions by 2030, using a 2022 base year (material categories are 01: Purchased goods & services; 03: Fuel- and energy-related activities; 04: Upstream transportation & distribution; 05: Waste generated in operations). The baselining exercise was based on a hybrid evaluation where 79% of data was from activity evaluation and 21% spend data.

² Carbon Trust’s Quorn Footprint Comparison Report, 2023

Marlow Foods Limited

Strategic Report (continued)

Streamlined Energy and Carbon Reporting (continued)

The Group also measures its environmental impact in the following ways:

1. Food Waste tracking began in 2019 when the amount of food waste relative to production tonnage was 12%. During 2025 the Group recorded food waste of 8%, an improvement compared to 2024 (10%).
2. Water Usage in 2025 was 30m³ per tonne of production: an increase of 5% over 2024. This was driven in part by lower production volumes combined with the fixed nature of some water consumption within the supply chain.

The Reported Emissions

The Group tracks its energy use by each type of energy consumed. Where available, these are converted to GHG emissions using conversion rates supplied by the UK Government. Where these are unavailable, the Group has calculated the emissions independently and has validated these against other available metrics. The table below shows the key measures. There is no measure for transport fuel, as the company does not run a fleet. Therefore, this is included in Scope 3 figures.

	2025	2024	2023
Energy use through electricity (MWh)	35,545	38,573	44,373
Energy use through steam (MWh)	48,125	43,816	43,610
Other energy use (including gas) (MWh)	47,203	45,767	39,661
Total Energy Use within own operations (MWh)	130,873	128,156	127,644
Greenhouse Gas emissions (metric tonnes) (scope 1 & 2)	12,028	11,462	11,745
Metric tonne of GHG emissions per tonne of production	0.41	0.43	0.34
Scope 3 Emissions (metric tonnes)	Not yet available	60,252	69,687

Energy and GHG emissions are reported from buildings where operational control is held.

Emissions relating to 'other energy use, including gas' for 2024 have been restated in the current year. The updated calculation is the result of improved reporting and understanding of historical energy use through enhanced on-site metering.

Scope 3 emissions for 2023 have been restated in the current year. The recalculation is the result of updated glucose emission factor reporting from one of our key suppliers, which improved data granularity which has been included in the new calculation and updated for the prior year to better improve year-on-year comparisons.

Categories included in the Scope 3 figures are: 01: Purchased goods and services, 02: Capital goods, 03: Fuel- and energy-related activities, 04: Upstream transportation and distribution, 05: Waste generated in operations, 06: Business travel, and 07: Employee commuting.

Marlow Foods Limited

Strategic Report (continued)

Streamlined Energy and Carbon Reporting (continued)

Energy Efficiency Actions

The Group has actions to reduce its energy use, including the following:

- Ensuring all new investments in plant and machinery contribute to overall energy reduction.
- Optimised use of its cooling towers and air compressors
- Improved reliability of combined heat and power generators
- Measures to prevent energy leakage.
- Analysing energy consumption frequently to eliminate unnecessary use. For example, metering and daily directional setting led to a 11% reduction in electricity use at our Belasis fermentation plant in 2025 vs the forecast for the year.

The Group takes action to reduce Scope 3 emissions by the following:

- Company car policy encourages low-emission vehicles through a staff salary sacrifice scheme.
- Review of procurement hotspots generating the most emissions in its supply chain, combined with working with its suppliers and business partners to reduce these emissions.
- Improvements in 'one-touch' manufacturing to prevent unnecessary vehicle movements.
- Increasing pallet efficiency through the optimisation of outer transit cases, with the objective of maximising the number of products distributed on a pallet.
- Providing a carbon footprint comparison tool for product developers to analyse the environmental impacts of every new recipe and new packaging format.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, Section 172 of the Act requires the directors to have regard to:

- a) The likely consequences of any decision in the long term
- b) The interests of the company's employees
- c) The need to foster the company's business relationships with suppliers, customers and others
- d) The impact of the company's operations on the community and environment
- e) The desirability of the company maintaining a reputation of high standards of business conduct; and
- f) The need to act fairly among the members of the company

The following disclosure describes how the directors have acted in accordance with the matters set out in section 172(1)(a) to (f) of The Companies Act 2006.

The directors regularly review the Group's primary stakeholders and how the business engages with them through formal review meetings, social media and other forms of communication.

The directors of MFL meet on a regular basis and invite subject matter experts within the business to discuss particular topics. They have considered the following matters across MFL and its subsidiary companies when carrying out their duties in order to promote the success of the company for the benefit of its stakeholders as a whole:

- a) Decisions are taken regarding the long-term success of the Group. These decisions centre around the impacts of long-term growth in its market segment with special attention focussed on capacity and cash requirements required to fulfil the potential of the Group. This is supported by an annual strategic financial planning process which evaluates projections over a 3 to 5 years period to ensure that the Group has appropriate financial plans in place to ensure investor returns are appropriate.

Marlow Foods Limited

Strategic Report (continued)

Section 172(1) Statement (continued)

- b) Welfare for the employees of all the businesses within the Group is the prime responsibility of the directors of the company. Management recognise the need to support the mental well-being of all its employees and support this area. The directors ensure that engagement of employees within the group is fostered through a variety of means including all-employee briefings (in person and virtual), employee engagement surveys and intranet briefings.
- c) The directors recognise the importance of both suppliers to, and customers of, the Group and take steps to ensure that these relationships are maintained on a professional footing. Payments to suppliers are not unduly withheld and the company takes steps to ensure that the contractual obligation between it and its suppliers and customers are clear and fair.
- d) Quorn branded products have tremendous health and sustainability benefits and the Group ensures these are accurately communicated through the use of websites, social media, TV and other means. The Group also seeks out third party accreditation for its environmental credentials and is proud to be one of the first companies certified by the Carbon Trust in the UK.
- e) The directors seek to maintain the highest possible standards of business conduct at all times. The directors favour early adoption when complying with new legislation where possible and, where necessary, critical training is rolled out throughout the company.
- f) Being fair to all stakeholders of the Group is a core value. The directors are transparent in their dealing with its ultimate parent company and in turn its shareholders.

The Group values ensure that stakeholders are treated fairly and are well informed and the directors work across a balanced agenda to ensure the success of the Group.

Key Principal Decisions

The directors have set out below the principal decisions where the above matters have been applied:

1. Issue of £25m of shares to Monde Nissin (UK) Limited to facilitate a prepayment of the Group's external debt facilities of the same amount;
2. The further prepayment of £5m external debt facilities using funds generated by the Group;
2. Creation of a three year strategic plan to return the business to growth and profit after a review conducted by David Flochel on his appointment as Chief Executive Officer in late 2024.

Principal risks and uncertainties

The principal risks that the Group faces relate to the uncertainty around the world economy due to conflicts in Ukraine, Iran and the general climate of political uncertainty over the last 36 months, and particularly the effect that this has on supply availability and consumer sentiment. The risk of cyber attacks in the UK consumer goods industry is also considered to be heightened given these events, and high profile cases in the last 12 months. These have the potential to affect both the Group's operations and the demand for its products. Other risks include competition in all the markets in which it operates from both branded and retailers' own brand products as well as cost inflation because of commodity price fluctuation, wage growth, exposure to foreign currencies, tariffs, other trade restrictions and interest rate volatility. The Group continues to invest in its operations to improve efficiency, and in Research and Development projects to protect its future competitive position and it has policies to minimise the various risks it faces.

Marlow Foods Limited

Strategic Report (continued)

Principal risks and uncertainties (continued)

Financial risk management

The Board and management pay careful attention to the identification and control of risks associated with the Group's activities. As with other aspects of the Group, all identified areas of risk are allocated to a member of senior management for monitoring and management. The key financial risks to the Group can be summarised as follows:

Global conflicts

As noted above, the conflicts in Ukraine and Iran continue to have some impact on the Group's supply chain. Input costs across key areas of energy, glucose and egg albumen remain subject to price fluctuation. Future supply of raw materials is covered by forward contracts where possible and where supply continuity is seen as a significant risk has been switched to alternative suppliers. Management continues to monitor the situation and review options to recover costs through increased prices charged to its customers.

Liquidity risk

The Group is exposed to liquidity risk due to the cost-of-living-crisis impact on revenues, elevated input costs, and continuing investment in marketing, research, development and capital equipment. The Group also has access to external bank debt that is repayable on demand. To manage these risks (i) short term and long term cash flow forecasting is undertaken on a regular basis, and the actual position monitored against these forecasts, (ii) the Group maintains strong relationships with multiple banks and has access to further overdraft and credit facilities and (iii) MNC has provided a letter of support to the directors of MFL. Finally, the Group's external term loan is not due for repayment until 2027. This ensures that sufficient funds are available to meet both short and longer-term requirements. See note 21 for further details.

Credit risk

The Group's customers operate in both retail and wholesale sectors in many countries which exposes the Group to credit risk which is managed through a combination of external agency ratings, assessment of customers' financial performance, past performance and other factors. The Group also operates a debtor financing facility which reduces receivables. Individual customer credit limits are regularly reviewed throughout the year and are agreed with senior management.

Price risk

Raw materials and energy used by the Group in the manufacture of its products are affected by many factors including the impact of the conflict in Ukraine and Iran discussed above. These include commodity market fluctuations which are outside the Group's control. These fluctuations have in the past, and may in the future, impact the cost of the Group's products. The Group looks to place forward procurement contracts to reduce the impact of short-term fluctuations.

Competition risk

The Group competes with producers of branded and own label vegetarian and vegan products and more broadly with producers of other proteins. Sales made by the Group are therefore impacted by consumers' perceptions of the attractiveness of the Group's products relative to products produced by those competitors in areas including taste, brand strength, value for money and nutrition as well as innovation to anticipate those consumer needs. The Group monitors changes in consumer needs closely and seeks to meet those more effectively than its competitors.

Cyber risk

The company is potentially exposed to the risk of cyber-attack. There are regular attempts to break into business systems and the company works with business partners to assess readiness, share information and understand mutual risks as required. The company carries out regular testing and training of colleagues to manage the risks. There have been no adverse impacts on operations or information loss in the year.

Marlow Foods Limited

Strategic Report (continued)

Principal risks and uncertainties (continued)

Climate change risk

Climate change could have an impact on the business in the future with the more material impacts anticipated being potentially from extreme weather or increases in prices. The Group therefore ensures an appropriate level of insurance is in place and deals with price increases by responding to challenges due to volatility in the trading environment. The directors have reviewed the impact on the financial statements and consider that there is no material impact.

Interest rate risk

During the year the external loan was partially hedged to reduce interest rate risk. At the year-end the Group had no outstanding interest rate contracts.

Consumer risk

The Group is exposed to consumer risk and can adjust its commercial strategy to be able to compete with new consumer tastes and trends.

Currency risk

The Group trades in currencies other than Sterling. As such, the Company and the Group are exposed to currency fluctuations. To mitigate currency exposure, the Board has a policy to hedge up to a maximum of 80% of any forecasted exposure. Forward contract requirements are reviewed regularly to flex currency surpluses or deficits to the most recent position. These arrangements are approved by the directors who monitor compliance to the Currency Risk Mitigation policy. At the year-end the Group had no outstanding forward currency contracts.

Other Business Risks

Beyond the risks given above, the Group has taken steps to deal with risks common to a food business, especially in relation to the assurance of the quality of its products. The Group has recovery mechanisms in place in the event of a natural disaster and it has contingency plans in place to protect the supply of raw materials and packaging for its manufacturing activity.

Marlow Foods Limited

Strategic Report (continued)

Principal risks and uncertainties (continued)

Key performance indicators

The directors of MFL manage the performance and progress of the Group against its strategic aims using qualitative assessment and quantitative indicators across both financial and non-financial measures. Financial measures include sales, margins, profitability and cashflow compared to budgets, forecasts and prior year performance. The key financial performance indicators are considered to be those set out in the table below:

	2025	2024
	£m	£m
Revenue	184.5	186.7
Operating loss	(14.5)	(24.4)
Net assets	135.9	127.8
Cash at bank	13.3	20.9

Revenue reduced by 1.2% in the year due to the ongoing market decline in the meat free retail categories, partially mitigated by growth in Quick Service Restaurants. Operating losses declined due to an increase in gross margin and a reduction in administrative expenses, driven by the transformation program. Net assets increased by £8.1m, with losses in the year more than offset by share issues.

Outlook

The Group continues to plan for a return to sales growth and profitable trading taking into account known macro-economic and geo-political risks.

As at 31 December 2025, the Group had net assets of £135.9m (2024: £127.8m). Funding is provided to the Group, and the parent company MNUK, through external loans and support from the wider Monde Nissin Group.

Approved by the Board of Directors
and signed on behalf of the Board

Signed by:



AF8318627C8549C...

Nicholas Ian Cooper
Director
1 April 2026

Marlow Foods Limited

Directors' Report

The directors present their annual report together with the audited financial statements of the Group for the year ended 31 December 2025.

Results and dividends

The Consolidated Income Statement is set out on page 20 and shows the loss for the year. The pre-tax loss for the year was (£16.5m) (2024: (£27.8m)).

As of 31 December 2025, the Group had net assets of £135.9m (2024: £127.8m).

Charitable donations in year of £27,000 (2024: £121,000) were made to food related charitable causes.

No dividends were paid or proposed for the year ended 31 December 2025 (2024: nil).

Directors

The directors who served the company during the year and up to the date of signing the financial statements were:

M G Bertacca (resigned 17 March 2025)

D Flochel (appointed 17 March 2025)

N I Cooper

Future developments

The business will continue to focus on its UK retail business where it has increased share over the last year and driven particular growth in the Snacking category.

It will develop its food service offering, which was enhanced in 2023 by the launch of Quorn Pro, and also expand its Quick Service Restaurants across an increasing number of countries.

It will continue to develop its efforts to supply mycoprotein as an ingredient to business customers in the food industry.

Research and development

Applied research and development work continues to be directed towards the introduction of new and improved products, the application of new technology to reduce unit and operating costs and to improve service to customers. Refer to note 5 of the financial statements for the costs incurred during the year.

Employment policies

The Group recognises the importance of encouraging all employees to contribute to the achievements of the Group. It has a comprehensive set of employment practices designed to achieve that objective. In particular the Group's equal opportunities policy is designed to create an environment in which all employees are encouraged to develop their individual potential whatever their gender, race, religion, colour, age, sexual orientation or disability. The same opportunities for training, career development and promotion are available to all employees including those with disabilities, in so far as that disability does not prevent them from performing their job or any suitable alternative available job. Applications for employment by disabled persons are fully considered bearing in mind the respective aptitudes and abilities of the applicant concerned.

Great importance is attached to the quality of communication with all employees. Employees are provided with information about the performance of the Group through a variety of briefing mechanisms appropriate to their circumstances.

Marlow Foods Limited

Directors' Report (continued)

Going concern basis

As at 31 December 2025, the Group had net assets of £135.9m (2024: £127.8m). The Group has a net current asset position of £5.7m (2024: £20.1m), including cash of £13.3m (2024: £20.9m).

In order to gain assurance over the future, forecasts for the period to 30 June 2027 were carried out and assumptions tested. Alongside this, a series of scenarios was modelled to stress test changes to key assumptions impacting sales, costs and cashflow. The base line scenario built in the effect of the significant restructuring activities that have taken place during the year, as well as a conservative view of the future effects of the supply chain transformation programme that the Group is continuing. These actions have already right-sized the Group's cost base to make it more resilient to future events and are expected to deliver significant incremental gross margin in future years. Against this baseline a number of scenarios have been run including a reduction in sales of 3%, with no mitigating actions taken.

The forecasts including the downside scenario, together with other factors, illustrate that the company may require additional funding and support from Monde Nissin Corporation, the Parent Company under certain scenarios. Consequently, the Directors have obtained a letter of parental support from Monde Nissin Corporation, the company's ultimate parent, that confirms that the Parent Company will provide financial support to the Company to assist in meeting its liabilities to the extent that funding is not otherwise available to the Company to meet such liabilities. The directors have reviewed the Parent Company cash flow forecasts to confirm its ability to provide such support until 30 June 2027. Therefore, the Directors have a reasonable and proper expectation that the Group will continue to have adequate resources for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Financial risk management policies

The directors set out in the Strategic Report the financial risk management objectives and policies of the Group.

Streamlined Energy and Carbon Reporting

Disclosure is incorporated in the Strategic Report above.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Ernst & Young LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Board Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Signed by:

AF8318627C8549C...
Nicholas Ian Cooper
Director
1 April 2026

Marlow Foods Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs and in respect of the parent company financial statements, FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- in respect of the group financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company and/ or the group will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the company and the group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditor's report to the members of Marlow Foods Limited

Opinion

We have audited the financial statements of Marlow Foods Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise Consolidated Income Statement, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Statement of Financial Position, Company Statement of Changes in Equity and the related notes 1 to 37, including a summary of material accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast material doubt on the group and parent company's ability to continue as a going concern for a period to 30 June 2027.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Independent auditor's report to the members of Marlow Foods Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Marlow Foods Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most material are compliance with the Companies Act, financial reporting regulations (namely UK adopted international accounting standards and FRS101 "Reduced Disclosure Framework") and UK tax legislations. In addition, we concluded that there are certain material laws and regulations relating to health and safety, employee matters, General Data Protection Regulations, UK Bribery Act, food preparations standards, food hygiene, content reporting and sale of food rules.
- We understood how Marlow Foods Limited is complying with those frameworks by undertaking conversations with those charged with governance and management and obtaining evidence to support these conversations. Policies were obtained in relation to Whistleblowing, anti-corruption and Disciplinary policy, noting the policies in place at the entity which promotes the culture of honesty and ethical behaviour in the business.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was a susceptibility to fraud. We also considered performance targets which are based on the results of the group and their propensity to influence efforts made by management to manage the earnings of this Company. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included testing journals and were designed to provide reasonable assurance that the financial statements were free from material fraud and error. Specifically, we identified a risk linked to revenue recognition, the overheads in stock adjustment and fixed asset impairment. We performed detailed audit procedures over the revenue accounts and also utilised our analytics tools by correlating sales posting with cash receipts throughout the year and paying particular attention to journals which fall outside the standard profile in order to address the risk of management override. We tested revenue cut off, through selecting a sample of items and validated these to invoice and other evidence to demonstrate the accounting was appropriate. We tested the overheads in stock adjustment by reviewing the integrity of the underlying data, accuracy of the calculations and challenged management on the underlying assumptions. Finally, we assessed management's consideration of indicators of tangible fixed asset and investment impairment and management's calculation of the recoverable amount.

Independent auditor's report to the members of Marlow Foods Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved conversations with financial management and those charged with governance and the review of board minutes. Legal expenses within the Income Statement were reviewed to ascertain if this highlighted any ongoing legal claims in relation to non-compliance with laws and regulations. The results of our procedures did not identify any instances of irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

Eddie Diamond

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Eddie Diamond (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

01 April 2026

Marlow Foods Limited

Consolidated Income Statement

For the year ended 31 December 2025

				Year ended 31 December 2025			Year ended 31 December 2024
	Note	Underlying £000	Exceptional £000	Total £000	Underlying £000	Exceptional £000	Total £000
Revenue	4	184,516	-	184,516	186,681	-	186,681
Cost of sales		(138,037)	(6,252)	(144,289)	(146,933)	(7,887)	(154,820)
Gross profit		46,479	(6,252)	40,227	39,748	(7,887)	31,861
Selling and distribution costs		(20,367)	-	(20,367)	(17,062)	(75)	(17,137)
Administrative expenses		(32,298)	(2,244)	(34,542)	(34,952)	(4,284)	(39,236)
Other operating income		164	-	164	96	-	96
Operating loss	5	(6,022)	(8,496)	(14,518)	(12,170)	(12,246)	(24,416)
Financial income	8	322	-	322	1,375	-	1,375
Finance costs	8	(2,330)	-	(2,330)	(4,332)	-	(4,332)
Net loss on financial instruments	8	10	-	10	(466)	-	(466)
Loss before tax		(8,020)	(8,496)	(16,516)	(15,593)	(12,246)	(27,839)
Tax	9	(182)	-	(182)	(154)	-	(154)
Loss for the year		(8,202)	(8,496)	(16,698)	(15,747)	(12,246)	(27,993)

The above results were derived from continuing operations.

Marlow Foods Limited
Consolidated Statement of Other Comprehensive Income
For the year ended 31 December 2025

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Loss for the year	<u>(16,698)</u>	<u>(27,993)</u>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(161)	(199)
Total comprehensive loss for the year	<u><u>(16,859)</u></u>	<u><u>(28,192)</u></u>

Marlow Foods Limited

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	10	126,608	131,551
Intangible assets	11	4,015	4,324
Right of use assets	12	1,455	2,029
Amounts owed by other group entities after one year	15	13,239	10,349
		<u>145,317</u>	<u>148,253</u>
Current assets			
Inventories	14	29,227	39,561
Trade and other receivables	15	20,597	20,864
Current tax assets		785	840
Cash and bank balances	19	13,250	20,854
		<u>63,859</u>	<u>82,119</u>
Total assets		<u><u>209,176</u></u>	<u><u>230,372</u></u>
Current liabilities			
Trade and other payables	17	(57,559)	(56,285)
Interest-bearing loans and borrowings	21	-	(5,000)
Lease liabilities	12, 21	(567)	(763)
		<u>(58,126)</u>	<u>(62,048)</u>
Net current assets		<u>5,733</u>	<u>20,071</u>
Total assets less current liabilities		<u>151,050</u>	<u>168,324</u>
Non-current liabilities			
Interest-bearing loans and borrowings	21	(14,000)	(39,000)
Deferred tax liabilities	16	-	-
Lease liabilities	12, 21	(1,110)	(1,525)
		<u>(15,110)</u>	<u>(40,525)</u>
Total non-current liabilities		<u>(15,110)</u>	<u>(40,525)</u>
Net assets		<u><u>135,940</u></u>	<u><u>127,799</u></u>
Equity			
Share capital	18	119,000	94,000
Retained earnings		16,940	33,799
Equity		<u><u>135,940</u></u>	<u><u>127,799</u></u>

The financial statements of Marlow Foods Limited, company number 01752242, were approved by the Board of Directors and authorised for issue on 1 April 2026. They were signed on its behalf by:

Signed by:

AF8318627C8549C...
 Nicholas Ian Cooper, Director

Marlow Foods Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Equity attributable to equity holders of the Group

	Share capital £000	Retained earnings £000	Total £000
Balance at 1 January 2024	67,000	61,991	128,991
Loss for the year	-	(27,993)	(27,993)
Exchange differences on translation of foreign operations	-	(199)	(199)
Shares issued at par	27,000	-	27,000
Balance at 1 January 2025	94,000	33,799	127,799
Loss for the year	-	(16,698)	(16,698)
Exchange differences on translation of foreign operations	-	(161)	(161)
Shares issued at par	25,000	-	25,000
Balance at 31 December 2025	<u>119,000</u>	<u>16,940</u>	<u>135,940</u>

Comprehensive expenditure for the period was £16,859,000 (2024: £28,192,000).

Marlow Foods Limited
Consolidated Cash Flow Statement
For the year ended 31 December 2025

	Note	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Net cash from operating activities	19	12,605	12,832
Investing activities			
Interest received	8	322	917
Interest received – rate swap		(12)	458
Purchases of property, plant and equipment	10&11	(11,286)	(9,644)
Net cash used in investing activities		(10,976)	(8,269)
Financing activities			
Loan repayment		(30,000)	(27,000)
Issue of shares		22,000	27,000
Leases		(891)	(839)
Net cash used in financing activities		(8,891)	(839)
Net increase/(decrease) in cash and cash equivalents		(7,262)	3,724
Cash and cash equivalents at beginning of year	19	20,854	17,170
Effect of foreign subsidiaries translation		(342)	(40)
Cash and cash equivalents at end of year	19	13,250	20,854

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

1. General information

Marlow Foods Limited (the Company) is a private company limited by shares, incorporated in the United Kingdom under the Companies Act. The address of the registered office is given in note 24. The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Strategic report on pages 4 to 12.

These financial statements are presented in pounds sterling to the nearest thousand because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out in note 2.

2. Material accounting policies

Basis of accounting

The Group financial statements have been prepared in accordance with UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

During the year there have been changes in the accounting standards which have been assessed and included in these financial statements where appropriate. The following amendments became effective for the first time in 2025:

- IAS 21(amended) – Lack of exchangeability – effective from 1 January 2025

The adoption of new standards, interpretations and amendments in the current period has not had a material impact.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group.

IFRS 18 “Presentation and Disclosure in Financial Statements” will be effective for the financial year ending 31 December 2027, with retrospective application required. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but will have an impact on presentation and disclosure, which the Group is currently assessing. None of the other new standards, amendments or interpretations are expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions. The material accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to 31 December each year.

Consolidation of subsidiaries begin when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Specifically, the results of subsidiaries acquired or disposed of

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

Basis of consolidation (continued)

during the year are included in the Consolidated Income Statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Going concern

As at 31 December 2025, the Group had net assets of £135.9m (2024: £127.8m). The Group has a net current asset position of £5.7m (2024: £20.1m), including cash of £13.3m (2024: £20.9m).

In order to gain assurance over the future, forecasts for the period to 30 June 2027 were carried out and assumptions tested. Alongside this, a series of scenarios was modelled to stress test changes to key assumptions impacting sales, costs and cashflow. The base line scenario built in the effect of the significant restructuring activities that have taken place during the year, as well as a conservative view of the future effects of the supply chain transformation programme that the Group is continuing. These actions have already right-sized the Group's cost base to make it more resilient to future events and are expected to deliver significant incremental gross margin in future years. Against this baseline a number of scenarios have been run including a reduction in sales of 3%, with no mitigating actions taken.

The forecasts including the downside scenario, together with other factors, illustrate that the company may require additional funding and support from Monde Nissin Corporation, the Parent Company under certain scenarios. Consequently, the Directors have obtained a letter of parental support from Monde Nissin Corporation, the company's ultimate parent, that confirms that the Parent Company will provide financial support to the Company to assist in meeting its liabilities to the extent that funding is not otherwise available to the Company to meet such liabilities. The directors have reviewed the Parent Company cash flow forecasts to confirm its ability to provide such support until 30 June 2027. Therefore, the Directors have a reasonable and proper expectation that the Group will continue to have adequate resources for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Revenue recognition

Revenue represents the amounts (excluding value added tax) derived from the provision of goods during the period, net of all trade discounts, promotional activities and rebates, specified in a contract with customers whether off-set against payments or invoiced independently. Revenue is recognised when inventories are delivered to customers for all territories other than Australia and Asia where it is recognised when inventory leaves the port in the UK. Rebates and promotions payable are recorded when revenue is recognised. The Group principally generates revenue from the manufacture, distribution and sale of Quorn and Cauldron branded products. Invoices under the HSBC arrangement (see note 15) are recognised as receivable from HSBC on assignment to HSBC until they are paid. When paid the trade receivable is derecognised. The cash received is treated as any other receipt from the sale of goods and rendering of services and classified as operating activities in the cashflow.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of net revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

Interest expense

Interest expense is recognised using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Leases

The company leases various offices, property, land, equipment and vehicles. Lease contracts are typically made for fixed periods of 12 months to 8 years but may have extension options.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of property for which the company is a lessee and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company in accordance with IFRS 16.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

Leases (continued)

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the company did revalue its land and buildings that are presented within property, plant and equipment on transition to IFRS in 2015, it has chosen not to do so for the right-of-use buildings held by the company.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Leases that are impaired would be terminated if no longer necessary.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Income Statement in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate materially during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Exceptional items

Exceptional items are transactions that by their nature do not reflect the trading performance of the company in the period. These items may be either income or expense and are evaluated on both their magnitude and their relevance to understanding business performance trends. For a transaction to be considered exceptional, management considers the nature, frequency of similar events, previous precedent, value and commercial context of a transaction. All exceptional items are continually monitored and approved by senior management on an individual transaction basis.

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are the Group are expected to apply when the related asset is realised, or liability is settled, based on tax rates and laws enacted at the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost in the balance sheet.

The assets held at the point the Company's former parent, Quorn Foods Ltd, was acquired by Monde Nissin Corporation were valued by Bidwells LLP, independent valuers not related to the Group. Bidwells LLP have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. They determined the fair value of the assets based on the market comparable approach. This value was then converted to cost, being the fair value at the date of acquisition, 30 October 2015. Under IFRS this event-driven valuation is taken as deemed cost.

Therefore, all assets are held at cost, or deemed cost, including professional fees and, for qualifying assets, borrowing costs, less any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Freehold buildings	40 years
Plant and machinery	between 3 and 50 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

The Group complies with the amendment to IAS16 regarding proceeds before intended use, whereby proceeds from the sale of products while an asset is being brought to the condition necessary for full operation are taken through the income statement and not deducted from the asset value.

Intangible assets

Intangible assets are recorded at cost less accumulated amortisation and any provision for impairment. Internally generated intangible fixed assets, such as software, are recognised only if: an asset is created that can be identified; it is probable that the asset created will generate future economic benefits; and the development cost of the asset can be measured reliably. Where no internally generated intangible asset can be recognised, development expenditure is recorded as an expense in the period in which it is incurred.

Non-current intangible assets are amortised on a straight-line basis over their estimated economic useful lives over 3-10 years.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Provision is made where necessary for obsolete, slow moving and defective stocks.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Impairment of trade receivables is performed in line with IFRS 9. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

2. Material accounting policies (continued)

Financial liabilities at FVTPL (continued)

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

Derivative financial instruments

Derivatives are used to manage exposure to movements in interest rates and foreign exchange rates. Derivatives are initially recognised at fair value and continue to be recognised at fair value at each financial reporting dates using the methodology described in note 21.

Gains or losses on remeasurement to fair value are recognised immediately in the income statement within Net profit / (loss) on financial instruments and exclude any interest income and expense on swaps which is recognised within Finance Costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Fees paid on the establishment of loan facilities are amortised over the period of the facility to which they relate.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Pension costs

The company operates a stakeholder pension scheme through Aviva and life assurance cover is also provided. Company contributions to the Aviva defined contribution scheme are charged to the profit and loss account as incurred.

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with below), that the directors have made in the process of applying the Group's accounting policies and that have the most material effect on the amounts recognised in the financial statements.

Impairment of plant and machinery

The directors review the business for indications of potential impairment as set out in *IAS 36 Impairment of Assets*:

- Obsolescence, physical damage, or material changes in the extent or manner in which the asset is used
- Changes in the technological, market, economic or legal environments.
- Cash flows for acquiring the asset or maintaining it are substantially higher than budgeted
- Operating performance is substantially worse than budgeted

If any of these indications are present, then a review of the cash flows relating to that asset or group of assets is carried out and if necessary an impairment is recorded. See note 5.

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that may have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Promotional accruals

The Group's principal customers are large supermarket chains. As is common in the industry, there are a number of promotional agreements with customers in relation to overrides, multi-buy accruals and other promotional and rebate agreements. In determining the year end accruals, management's calculations have considered negotiated commercial terms and completeness over current year claims and any latent claims from supermarkets for past promotional activity.

Overheads in inventories

The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as energy or indirect materials. The nature of the costs absorbed and the element of purchase price variance ('PPV') included is an area of judgement. The Group regularly undertakes an actualisation exercise including at the year end to determine the level of overheads which should be capitalised within inventories and corrects the standard costing which is used throughout the year and adjusts the carrying value of inventory to the actual cost.

Fair value of financial instruments

The Group took out an interest rate swap in March 2024 to reduce the cash flow risk around the interest on the external debt. This was not designated as a hedge and so is accounted as fair value through the profit and loss account and its value therefore fluctuates. The interest rate swap matured in June 2025 and is no longer held.

Fixed asset useful economic life

The directors review the asset lives when there are indications that they may have changed. External advice is sought where the value of the asset is material.

Deferred tax

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

In both of the above situations, judgement is required to assess the probability that future liabilities and assets crystallise.

Marlow Foods Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

4. Revenue

Revenue analysis

A geographical analysis of the Group's revenue is as follows:

	2025	2024
	£000	£000
UK	142,530	145,871
Europe	25,368	26,298
Rest of World	16,618	14,512
	<u>184,516</u>	<u>186,681</u>

All the amounts included in revenue are from continuing operations in both years.

Marlow Foods Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

5. Operating Loss for the year

Loss for the year has been arrived at after charging / (crediting):

	2025 £000	2024 £000
Net foreign exchange losses/ (gains)	(71)	99
Research costs	4,435	5,474
Depreciation of property, plant and equipment and amortisation of intangible assets(see note 10 & 11)	11,867	11,069
Depreciation of right-of-use-asset (see note 12)	756	879
Loss on disposal of plant and equipment and intangible assets (see note 10 & 11)	417	412
Amortisation of deal fees	313	659
Staff costs (see note 7)	46,545	49,794
Low value lease costs	294	360
Write downs of inventories recognised as an expense (see note 14)	1,915	2,048
Exceptional charge	8,496	12,246
	<u> </u>	<u> </u>

Exceptional items

Items shown as exceptional on the income statement include:

1. Assets in excess of foreseeable operational requirements impaired by £4.4m (2024: £7.9m)
2. Redundancies and related legal costs and curtailed contracts £3.2m (2024: £4.3m)
3. Transformation costs of £0.9m (2024: Nil)

The exceptional charges were split between cost of sales, selling and distribution costs & administration expenses in the proportion £6.3m, £nil and £2.2m respectively (2024: £7.9m, £0.1m and £4.2m).

6. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2025 £000	2024 £000
Audit of the financial statements of the Group	316	285
	<u> </u>	<u> </u>
Total audit fees	<u> </u> <u> </u>	<u> </u> <u> </u>

Marlow Foods Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

7. Staff costs

The average monthly number of employees (including executive directors) was:

	2025	2024
	Number	Number
Production	505	568
Sales and marketing	75	76
Administration	93	105
Research and development	79	95
	<u>752</u>	<u>844</u>

Their aggregate remuneration comprised:

	2025	2024
	£000	£000
Wages and salaries	39,932	43,062
Social security costs	4,721	4,523
Other pension costs (see note 20)	1,892	2,209
	<u>46,545</u>	<u>49,794</u>

Costs are stated on an accruals basis in the financial year. Please see note 5 for description of the restructuring of the business.

The directors were remunerated by Monde Nissin (UK) Limited, the immediate parent company of this company. Under the management services agreements they are directors of a number of companies within the Monde Nissin (UK) Limited group. As such, it is not considered practicable to split their emoluments between the different companies to which they provide services. The following information represents remuneration paid from all group entities:

	2025	2024
	£000	£000
Directors' Emoluments		
Aggregate emoluments	1,383	1,483
Compensation for loss of office	304	-
Social security costs	239	199
Contributions to defined contribution pension scheme	14	15
	<u>1,940</u>	<u>1,697</u>

Marlow Foods Limited
Notes to the consolidated financial statements
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7. Staff costs (continued)

	2025 £000	2024 £000
Highest paid director		
Aggregate emoluments	887	1,149
Social security costs	130	156
	<u>1,017</u>	<u>1,305</u>
Number of directors	<u>2</u>	<u>2</u>

8. Finance income and expense

	2025 £000	2024 £000
Finance income:		
Bank deposits	322	917
Interest received regarding interest rate swap	-	458
	<u>322</u>	<u>1,375</u>
Finance costs:		
Interest on borrowings	2,219	4,186
Interest on Right of Use assets	99	146
Interest paid regarding interest rate swap	12	-
	<u>2,330</u>	<u>4,332</u>
Net loss on financial instruments:		
Fair value gain/(loss) on interest rate swap	<u>10</u>	<u>(466)</u>

Marlow Foods Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

9. Corporation Tax

	2025	2024
	£000	£000
Corporation tax:		
Current year	67	75
Adjustments in respect of prior years	(1)	(41)
	<hr/>	<hr/>
	66	34
Deferred tax (see note 16)	116	120
Adjustment in respect of prior years	-	-
	<hr/>	<hr/>
	182	154
	<hr/> <hr/>	<hr/> <hr/>

UK Corporation tax is calculated at 25% (2024: 25%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the loss in the income statement as follows:

	Year	Year
	ended 31	ended 31
	December	December
	2025	2024
	£000	£000
Loss before tax	(16,516)	(27,839)
	<hr/>	<hr/>
Tax at the UK corporation tax rate of 25% (2024: 25%)	(4,129)	(6,960)
Tax effect of expenses that are not deductible in determining taxable profit	214	298
Income not subject to tax	(46)	(22)
Amounts not recognised in relation to deferred tax	4,143	6,840
Adjustments in respect of prior years	(1)	(41)
Other permanent differences	1	39
	<hr/>	<hr/>
Tax for the year	182	154
	<hr/> <hr/>	<hr/> <hr/>

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

9. Corporation Tax (continued)

OECD Pillar Two model rules

On 11 July 2023, OECD's global minimum tax ("GMT") legislation was enacted in the UK and came into effect from 1 January 2024. The Group is within the scope of these rules as the Company's ultimate parent company, Monde Nissin Corporation, has global revenues exceeding €750m. Under the legislation, a company is liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction and a 15% minimum rate. There is also a transitional "safe-harbour" under the rules which, if passed for a given country, automatically means no GMT liability will arise in respect of that country. All entities within the Group will pass the transitional safe harbour test. Therefore, the Group does not expect a potential exposure to Pillar Two top up taxes and has no related current tax exposure.

The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to GMT taxes.

10. Property, plant and equipment

	Land and buildings £000	Plant and machinery £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 January 2024	31,227	181,236	54,478	266,941
Additions	-	-	8,674	8,674
Disposals	-	-	(412)	(412)
Transfers	8,380	15,364	(32,086)	(8,342)
At 31 December 2024	39,607	196,600	30,654	266,861
Additions	-	-	11,131	11,131
Disposals	(820)	(7,679)	(834)	(9,333)
Transfers	620	13,797	(14,417)	-
At 31 December 2025	39,407	202,718	26,534	268,659
Accumulated depreciation and impairment				
At 1 January 2024	5,777	99,118	16,447	121,342
Charge for the year	1,221	9,294	-	10,515
Transfers	-	(4,434)	-	(4,434)
Exceptional Impairment	-	7,198	689	7,887
At 31 December 2024	6,998	111,176	17,136	135,310
Charge for the year	1,269	9,993	-	11,262
Disposals	(820)	(7,457)	(689)	(8,966)
Exceptional Impairment	-	4,445	-	4,445
At 31 December 2025	7,447	118,157	16,447	142,051
Carrying amount				
At 31 December 2024	32,609	85,424	13,518	131,551
At 31 December 2025	31,960	84,561	10,087	126,608

Marlow Foods Limited
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For the year ended 31 December 2025

10. Property, plant and equipment (continued)

During the year a full review of capacity requirements was carried out and it was identified that the current capacity is in excess of the foreseeable future needs of the business and as a consequence, assets to the value of £4,445,000 were impaired. This has been recognised as exceptional within cost of goods sold.

During 2024 a number of assets were transferred into Intangible Assets as Software assets, as this was considered to more accurately reflect the nature of these assets than the previous classification as Computer Equipment.

11. Intangible assets

	Software £000	Assets under construction £000	Total £000
Cost or valuation			
At 1 January 2024	-	-	-
Additions	-	970	970
Disposals	-	-	-
Transfers	8,018	324	8,342
	<hr/>	<hr/>	<hr/>
At 31 December 2024	8,018	1,294	9,312
Additions	-	346	346
Disposals	(371)	(50)	(421)
Transfers	1,421	(1,421)	-
	<hr/>	<hr/>	<hr/>
At 31 December 2025	9,068	169	9,237
	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment			
At 1 January 2024	-	-	-
Charge for the year	554	-	554
Transfers	4,434	-	4,434
	<hr/>	<hr/>	<hr/>
At 31 December 2024	4,988	-	4,988
Charge for the year	605	-	605
Disposals	(371)	-	(371)
	<hr/>	<hr/>	<hr/>
At 31 December 2025	5,222	-	5,222
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2024	3,030	1,294	4,324
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2025	3,846	169	4,015
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Marlow Foods Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

12. Right of use assets

	Buildings and office rental £000	Machinery and Equipment £000	Land £000	Cars £000	Total £000
Right of use assets					
Cost					
At 1 January 2024	2,175	1,664	54	1,220	5,113
Additions	48	118	-	82	248
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Exchange differences	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	2,223	1,782	54	1,302	5,361
Additions	12	-	-	170	182
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Exchange differences	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	2,235	1,782	54	1,472	5,543
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation					
At 1 January 2024	905	954	54	540	2,453
Charge for the year	262	424	-	193	879
Exceptional Impairment (note 5)	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	1,167	1,378	54	733	3,332
Charge for the year	243	339	-	174	756
Exceptional impairment (note 5)	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange differences	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	1,410	1,717	54	907	4,088
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying Amount					
At 31 December 2024	1,056	404	-	569	2,029
At 31 December 2025	825	65	-	565	1,455
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

12. Right of use assets (continued)

	<1 year £000	1>5 years £000	+ 5 years £000	Total £000
Lease liabilities				
Current lease liabilities	763	-	-	763
Non-current lease liabilities	-	1,525	-	1,525
At 31 December 2024	763	1,525	-	2,288
Current lease liabilities	567	-	-	567
Non-current lease liabilities	-	1,110	-	1,110
At 31 December 2025	567	1,110	-	1,677

Amounts recognised in the consolidated income statement

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Depreciation	756	879
Interest (included within interest on borrowings on note 8)	99	146
Expenses relating to short-term/low value leases	294	360
	1,149	1,385

13. Investments in subsidiaries

The Group consists of a parent company, Marlow Foods Limited, incorporated in the UK and a number of subsidiaries held directly by Marlow Foods Limited, which operate and are incorporated around the world. As at 31 December 2025, Marlow Foods Limited had five wholly owned subsidiaries (2024: five subsidiaries).

Information about the composition of the Group at the end of the reporting year is as follows:

Company Name	Principal activity	Percentage holding	Place of incorporation and operation, registered office
Quorn Foods Inc	Distributor of Quorn products	100%	USA, 213 W. Institute Place, Suite 610 Chicago, IL 60610
Quorn Smart Life GmbH	Distributor of Quorn products	100%	Germany, Heiner-Fleischmann-Strasse 6, 74172, Neckarsulm
Cauldron Foods Limited	Dormant	100%	United Kingdom, Station Road, Stokesley. North Yorkshire England TS9 7AB
Quorn Foods Limited	Dormant	100%	United Kingdom, Station Road, Stokesley. North Yorkshire England TS9 7AB
Quorn Foods Sweden AB	Sales office and distributor of Quorn products	100%	c/o Skeppsbron Skatt, Skeppsbron 20, 111 30 Stockholm

Marlow Foods Limited

Notes to the consolidated financial statements

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14. Inventories

	2025 £000	2024 £000
Raw materials	5,755	9,597
Work-in-progress	6,677	7,464
Finished goods	16,795	22,500
	<u>29,227</u>	<u>39,561</u>

The cost of inventories recognised as an expense in cost of sales during the year was £120.5m (2024: £129.5m).

The cost of write-downs of inventories to net realisable value in cost of sales during the year totals £1.9m (2024: £2.0m).

15. Trade and other receivables

	2025 £000	2024 £000
Amount receivable for the sale of goods	16,102	17,053
Allowance for expected credit loss	(97)	-
	<u>16,005</u>	<u>17,053</u>
Fair value through the profit and loss: interest rate swap	-	-
Other receivables	1,638	1,118
Prepayments	2,802	2,498
Amounts owed by other group entities (see note 23)	152	195
	<u>20,597</u>	<u>20,864</u>
Amounts owed by group entities: parent (see note 23)	<u>13,239</u>	<u>10,349</u>

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

On the 25 September 2023, the Group entered into a Receivables Purchase Agreement with HSBC Invoice Finance (UK) Limited ("HSBC"). This agreement requires the Group to assign eligible receivables generated through its trading activities to HSBC. Under the terms of this agreement, the Group irrevocably assigns all rights to HSBC and all risks and rewards of ownership of the financial asset are therefore transferred. Upon transfer of these rights, the receivable asset is recognised as due from HSBC in the financial statements of the Group. There is a maximum agreement limit of £20m. Amounts of £12.4m were assigned under the agreement at the year end (2024: £11.5m).

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on a regular basis. Of the gross trade receivables balance at the end of the year, £4.7m (2024: £4.3m) is due from the Group's largest customer. There are four other UK retail customers who together represent a further £9.7m which is 37.1 per cent of the total balance of gross trade receivables (2024: £9.2m, 38.1 per cent).

Marlow Foods Limited

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15. Trade and other receivables (continued)

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables. This is in line with the historical loss percentages identified in the IFRS 9 review, and because there has not been a material change in credit quality and the amounts are still considered recoverable, no further provisions are required. Credit losses in the Group are of negligible impact. The average credit period taken on sales of goods is 46 days (2024: 45 days).

Ageing of past due but not impaired receivables	2025 £000	2024 £000
0-30 days	1,357	598
31-60 days	503	364
61-90 days	106	377
91+ days	186	151
Total	2,152	1,490

The directors consider that the carrying amount of trade and other receivables is equal to their fair value.

16. Deferred tax

	2025 £000	2024 £000
At 1 January	-	-
Derecognition of tax assets	116	120
Credit to the income statement	-	-
Credit to the income statement - RDEC	(116)	(120)
Adjustment in relation to prior years	-	-
At 31 December	-	-
Accelerated capital allowances	6,880	6,880
Losses	(6,380)	(6,380)
Other	(500)	(500)
At 31 December	-	-

Deferred tax has not been recognised to the extent that it can be offset against the deferred tax liability in respect of fixed assets. As a result, deferred tax has not been recognised in respect of corporate interest restriction differences of £5.4m (2024: £5.4m) and gross losses of £66.0m (2024: £20.0m), the gross increase in the deferred tax liability in respect of fixed assets of £14.0m (2024: £15.6m) and other deferred tax assets £0.2m (2024: £0.2m).

Federal tax losses of £7.4m (2024: £7.4m) and state tax losses of £9.6m (2024: £6.1m) in respect of Quorn Foods Inc and tax losses of £2.6m (2024: £2.7m) in respect of Quorn Smart Life GmbH have not been recognised because it is not probable that future taxable profits will be available to utilise the losses in the near future.

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17. Trade and other payables

	2025	2024
	£000	£000
Trade payables	15,844	15,951
Amounts owed to other group entities (see note 23)	25,364	25,061
Accruals	15,340	13,299
Other payables	-	-
Fair value through the profit and loss: interest rate swap	-	10
Taxation and social security	1,011	1,964
	<u>57,559</u>	<u>56,285</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade and capital purchases is 57 days (2024: 51 days).

The directors consider that the carrying amount of trade payables approximates to their fair value.

18. Share capital

	2025	2024
	£000	£000
Authorised:		
119,000,100 (2024: 94,000,100) ordinary shares of £1 each	<u>119,000</u>	<u>94,000</u>
Issued and fully paid:		
116,000,100 (2024: 94,000,100) ordinary shares of £1 each	<u>116,000</u>	<u>94,000</u>

The Company has one class of ordinary shares which carry no right to fixed income.

On 29 May 2025 MFL issued 25,000,000 new ordinary £1 shares for cash at par. As at 31 December 2025 an amount of £3.0m was still outstanding with respect to the 2025 share issuance and owed to the company by its parent. On 8 March 2024 MFL issued 27,000,000 new ordinary £1 shares for cash.

Marlow Foods Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

19. Notes to the cash flow statement

	2025 £000	2024 £000
Loss before tax	(16,516)	(27,839)
Adjustments for:		
Finance costs	2,330	4,332
Finance income	(322)	(1,375)
Depreciation of property, plant and equipment and right of use assets	12,623	11,946
Exceptional charge	4,445	7,887
Loss on disposal of property, plant and equipment	366	412
Loss on disposal of intangibles	50	-
	<hr/>	<hr/>
Operating cash flows before movements in working capital	2,976	(4,637)
Decrease / (increase) in inventories	10,334	20,788
Decrease / (increase) in receivables	224	1,938
Decrease / (increase) in related party receivables	456	(171)
(Decrease) / increase in payables	780	(775)
	<hr/>	<hr/>
Cash generated in/ (expended by) operations	14,770	17,143
Income taxes received/(paid)	54	(125)
Interest received	-	-
Interest paid	(2,219)	(4,186)
	<hr/>	<hr/>
Net cash generated in/ (expended by) operating activities	12,605	12,832
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents

	2025 £000	2024 £000
Cash and bank balances	13,250	20,854
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of any outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting year as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet position as shown above.

Analysis of changes in cash and bank balances

	1 January 2025 £	Cash Flow £	Other non-cash movements £	31 December 2025 £
Cash and bank balances	20,854	(7,262)	(342)	13,250
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

20. Retirement benefit schemes

Defined contribution schemes

The Group operates a number of pension schemes based on the employee's location. For UK employees the Group operates a stakeholder pension scheme through Aviva which is a defined contribution scheme. Life assurance cover is also provided. Company pension scheme contributions of £1,747,000 (2024: £2,209,000) have been charged to the profit and loss account as incurred. The stakeholder pension scheme is individual to the employee and is portable. Separate schemes exist for overseas employees. Total contributions to these schemes were £132,000 (2024: £235,000).

As at 31 December 2025, contributions of £296,000 (2024: £501,000) due in respect of the current reporting period had not been paid over to the scheme and is recognised as a payable.

21. Financial Instruments

Material accounting policies

Details of the material accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Categories of financial instruments

	2025	2024
	£000	£000
Financial assets		
Cash and bank balances	13,250	20,854
Fair value through the profit and loss: interest rate swap	-	(10)
Loans and receivables measured at amortised cost (note 15)	34,622	32,053
	<u> </u>	<u> </u>
Financial liabilities		
Amortised cost	(73,236)	(102,573)
	<u> </u>	<u> </u>

Foreign currency risk management

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2025	2024
	£000	£000
Bank	2,248	2,452
Receivables	5,468	5,445
Payables	(1,428)	(1,657)
	<u> </u>	<u> </u>
	<u>6,288</u>	<u>6,240</u>

Financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

21. Financial Instruments (continued)

	Weighted average effective interest rate	Less than 1 year	1-5 years	5+ years	Total
	%	£000s	£000s	£000s	£000s
31 December 2024					
Non-interest bearing		56,285	-	-	56,285
Interest bearing	6.06	5,763	40,525	-	46,288
		62,048	40,525	-	102,573
31 December 2025					
Non-interest bearing		57,559	-	-	57,559
Interest bearing	5.36	567	15,110	-	15,677
		58,126	15,110	-	73,236

During 2025 the company repaid £25.0m of an external bank term loan, whilst 2024 the company repaid £27.0m of an external bank term loan. The company entered into an £8.1m interest rate swap in March 2024 which partially hedged the floating rate external bank loan. The effect of the interest rate swap converted £8.1m of the floating rate interest payments on the external bank loan to a fixed rate, the resulted in the overall weighted average effective interest rate of 5.36% in 2025 (2024: 6.06%) on the combination debt and interest rate swap.

Fair value measurements

The fair value of the financial assets and liabilities represent the price that would be received to sell the asset or paid to transfer a liability between informed and willing parties, other than in a forced or liquidation sale, at the measurement date. The techniques for determining the fair value of financial instruments are classified under the hierarchy defined in IFRS 13 *Fair Value Measurement* which categorises inputs to valuation techniques into Levels 1-3 based on the degree to which the fair value is observable.

All of the Group's inputs to valuation techniques are Level 2 – the fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. The fair values of interest rate swaps are determined, in part, from unobservable inputs but the use of these unobservable inputs does not materially impact the result. As a result, it was concluded that it is appropriate to continue to classify the derivative instrument as Level 2. The table below sets out the valuation basis of the derivative financial instrument held at fair value as at 31 December 2025:

	Level 2*	
	2025 £000	2024 £000
Financial assets – derivative financial instruments		
Interest rate swap	-	(10)

Marlow Foods Limited

Notes to the consolidated financial statements

For the year ended 31 December 2025

21. Financial Instruments (continued)

* The fair value of the derivative financial instrument is measured using discounted cash flows. The future cash flows are estimated based on observable forward interest rates and discounted at a rate that reflects the credit risk and time value of the Group and counterparties. The Company entered into a forward starting interest rate swap in order to hedge the cash flow volatility due to interest rate risk on its external debt.

Forward foreign exchange contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts up to 80 per cent of the exposure generated. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 12 months up to 80 per cent of the exposure generated. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The fair value of foreign currency forward contracts are measured using discounted cash flows, estimated based on the forward currency rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk and time value of the Group and counterparties.

At the year-end the Group had no outstanding forward currency contracts (2024: none).

Financing facilities

The Group had access to financing facilities as described below, of which £20,000,000 was unused at the balance sheet date (2024: £4,000,000). The Group had utilised £nil of its revolving credit facility at 31 December 2025 (2024: £12,000,000) and £nil of its short term credit facility at 31 December 2025 (2024: £5,000,000). The Group expects to meet its other obligations from operating cash flows.

	2025 £000	2024 £000
Unsecured bank overdraft facility, reviewed annually and payable at call:		
- amount used	-	-
- amount unused	1,000	1,000
Unsecured short term credit facility, payable at call:		
-amount used	-	5,000
-amount unused	5,000	-
Revolving credit facility, payable in line with the facilities agreement:		
- amount used	-	12,000
- amount unused	15,000	3,000
	<u>20,000</u>	<u>20,000</u>

The fair value of the Group's financial assets and financial liabilities are measured at fair value on a recurring basis. The weighted average interest rate of the Group in 2025 was 5.36% (2024: 6.06%).

The Group entered into an unsecured short term credit facility in 2023. The facility is repayable on demand by the lending bank, does not impose any financial covenants, and is guaranteed by Monde Nissin Corporation. Interest is floating rate based on SONIA plus a margin.

The Group also has a secured debt facility. This loan had an original term of three years, with the option at the company's discretion, to extend for a further two years. This facility also includes a revolving credit facility of £15m. The facility has quarterly covenants based on the financial position of Monde Nissin Corporation and is guaranteed by Monde Nissin Corporation. Repayment of the facility is due at maturity, and interest is floating rate based on SONIA plus a margin. During 2024 the company made an early repayment of £27.0m of the loan, whilst also triggering an extension option to extend the term of the loan by a further two years with a new maturity of June 2027, in accordance with the original terms of the facility. During 2025 the company made additional prepayments of £25.0m of the loan.

Marlow Foods Limited
Notes to the consolidated financial statements
For the year ended 31 December 2025

22. Capital Commitments

	2025	2024
	£000	£000
Contracts placed for future capital expenditure not provided in the financial statements	1,443	1,954

23. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The following amounts were outstanding at the balance sheet date with other related parties in the Monde Nissin Corporation group:

	Amounts owed by related parties		Amounts owed to related parties	
	2025	2024	2025	2024
	£000	£000	£000	£000
Monde Nissin (UK) Limited	13,239	10,349	24,803	25,061
Monde Nissin New Zealand	121	114	-	-
Monde Nissin Corp	-	65	561	100
Monde Nissin Singapore Pte	31	16	-	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Monde Nissin Australia is an associated company and during 2025 the Group made sales of £1,307,000 (2024: £1,698,000) to that entity. The amount owing to the Group at the year end was £548,000 (2024: £509,000)

24. Ultimate controlling party and parent

The ultimate parent company and the ultimate controlling party is Monde Nissin Corporation which is based and incorporated in the Philippines. This is due to Monde Nissin Corporation being the indirect shareholder of 100% of the share capital of Marlow Foods Limited.

Monde Nissin (UK) Limited is the immediate parent undertaking of this Group, which is based and incorporated in the United Kingdom.

The registered office of Marlow Foods Limited is Station Road, Stokesley, North Yorkshire, TS9 7AB.

Marlow Foods Limited

Company Statement of Financial Position

As at 31 December 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Property, plant and equipment	27	126,608	131,603
Intangible Assets	28	4,015	4,324
Right of use assets	29	1,443	1,980
Investment in subsidiaries	30	1,186	1,186
Amounts owed by group entities after one year	32	13,239	10,349
		<u>146,491</u>	<u>149,442</u>
Current assets			
Inventories	31	27,195	36,833
Trade and other receivables	32	22,678	23,318
Cash and bank balances		11,367	19,128
		<u>61,240</u>	<u>79,279</u>
Total current assets			
Creditors: Amounts falling due within one year			
Trade and other payables	34	(58,290)	(56,426)
Lease liabilities	29	(554)	(763)
Interest-bearing loans and borrowings	33	-	(5,000)
		<u>(58,844)</u>	<u>(62,189)</u>
Net current assets			
		<u>2,396</u>	<u>17,090</u>
Total assets less current liabilities			
		<u>148,887</u>	<u>166,532</u>
Creditors: Amounts falling due after more than one year			
Interest-bearing loans and borrowings	33	(14,000)	(39,000)
Lease liabilities	29	(1,110)	(1,525)
		<u>133,777</u>	<u>126,007</u>
Net assets			
Capital and Reserves			
Called up share capital	36	119,000	94,000
Profit and loss account		14,777	32,007
		<u>133,777</u>	<u>126,007</u>
Shareholder's funds			
		<u>133,777</u>	<u>126,007</u>

The financial statements of Marlow Foods Limited (registered number 01752242) were approved by the Board of Directors and authorised for issue on 1 April 2026. They were signed on its behalf by:

Signed by:

 AF8318627C8549C...

Director
 Nicholas Ian Cooper

Marlow Foods Limited
Company Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2024	67,000	60,295	127,295
Issue of share capital	27,000	-	27,000
Loss for the year	-	(28,288)	(28,288)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(28,288)	(28,288)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2024	94,000	32,007	126,007
Issue of share capital	25,000	-	25,000
Loss for the year	-	(17,230)	(17,230)
	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the year	-	(17,230)	(17,230)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2025	119,000	14,777	133,777

Marlow Foods Limited

Notes to the company financial statements

For the year ended 31 December 2025

25. Material accounting policies

The separate financial statements of the company are presented as required by the Companies Act 2006. The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under FRS 101:

- a) The requirements of IFRS 7 *Financial Instruments: Disclosure*;
- b) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of certain assets;
- c) The requirements of IAS 7 *Statement of Cash Flows*;
- d) The requirements of IAS 24 *Related Party Disclosures*

Where required, equivalent disclosures are given in the consolidated financial statements.

These financial statements are presented in pounds sterling to the nearest thousand because that is the currency of the primary economic environment in which the Company operates.

The financial statements have been prepared on the historical cost basis except for the re measurement of certain financial instruments to fair value. The principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements except as noted below.

Investments in Subsidiaries

Investments in subsidiaries and associates are stated at cost less, where appropriate, provisions for impairment.

Key estimates and uncertainties

The key estimates and uncertainties for the company are the same as for the Group, see note 2 above.

26. Loss for the year

As permitted by section 408 of the Companies Act 2006 the company has elected not to present its own income statement for the year. The company reported a loss for the financial year ended 31 December 2025 of £17.2m (2024: £28.3m).

The auditor's remuneration for audit and other services is disclosed in note 6 to the consolidated financial statements.

Marlow Foods Limited
Notes to the company financial statements
For the year ended 31 December 2025

27. Property, plant and equipment

	Land and buildings £000	Plant and machinery £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 January 2024	31,227	181,236	54,478	266,941
Additions	-	-	8,726	8,726
Disposals	-	-	(412)	(412)
Transfers	8,380	15,364	(32,086)	(8,342)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	39,607	196,600	30,706	266,913
Additions	-	-	11,079	11,079
Disposals	(820)	(7,679)	(834)	(9,333)
Transfers	620	13,797	(14,417)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	39,407	202,718	26,534	268,659
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment				
At 1 January 2024	5,777	99,118	16,447	121,342
Charge for the year	1,221	9,294	-	10,515
Transfers	-	(4,434)	-	(4,434)
Impairment	-	7,198	689	7,887
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	6,998	111,176	17,136	135,310
Charge for the year	1,269	9,993	-	11,262
Disposals	(820)	(7,457)	(689)	(8,966)
Impairment	-	4,445	-	4,445
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	7,447	118,157	16,447	142,051
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 December 2024	32,609	85,424	13,570	131,603
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2025	31,960	84,561	10,087	126,608
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

During 2025 a full review of capacity requirements was carried out and it was identified that the current capacity was in excess of the foreseeable future needs of the business and as a consequence, assets to the value of £4,445,000 were impaired. This has been recognised as exceptional within cost of goods sold.

During the prior year a number of assets were transferred into Intangible Assets as Software assets, as this was considered to more accurately reflect the nature of these assets than the previous classification as Computer Equipment.

Marlow Foods Limited
Notes to the company financial statements
For the year ended 31 December 2025

28. Intangible assets

	Software £000	Assets under construction £000	Total £000
Cost or valuation			
At 1 January 2024	-	-	-
Additions	-	970	970
Disposals	-	-	-
Transfers	8,018	324	8,342
	<hr/>	<hr/>	<hr/>
At 31 December 2024	8,018	1,294	9,312
Additions	-	346	346
Disposals	(371)	(50)	(421)
Transfers	1,421	(1,421)	-
	<hr/>	<hr/>	<hr/>
At 31 December 2025	9,068	169	9,237
	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment			
At 1 January 2024	-	-	-
Charge for the year	554	-	554
Transfers	4,434	-	4,434
	<hr/>	<hr/>	<hr/>
At 31 December 2024	4,988	-	4,988
Charge for the year	605	-	605
Disposals	(371)	-	(371)
	<hr/>	<hr/>	<hr/>
At 31 December 2025	5,222	-	5,222
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2024	3,030	1,294	4,324
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2025	3,846	169	4,015
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Marlow Foods Limited
Notes to the company financial statements
For the year ended 31 December 2025

29. Right of use assets and lease liabilities

	Buildings and office rental £000	Machinery and Equipment £000	Land £000	Car £000	Total £000
Right of use assets					
Cost					
At 1 January 2024	2,042	1,611	54	1,209	4,916
Additions	-	118	-	84	202
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2025	2,042	1,729	54	1,293	5,118
Additions	-	-	-	170	170
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	2,042	1,729	54	1,463	5,288
Accumulated depreciation					
At 1 January 2024	784	958	54	529	2,325
Charge for the year	199	425	-	189	813
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2025	983	1,383	54	718	3,138
Charge for the year	195	338	-	174	707
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	1,178	1,721	54	892	3,845
Carrying amount					
At 31 December 2024	1,059	346	-	575	1,980
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	864	8	-	571	1,443
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<1 year £000	1>5 years £000	+ 5 years £000	Total £000	
Lease liabilities					
Current lease liabilities	763	-	-	763	
Non-current lease liabilities	-	1,525	-	1,525	
	<hr/>	<hr/>	<hr/>	<hr/>	
At 31 December 2024	763	1,525	-	2,288	
	<hr/>	<hr/>	<hr/>	<hr/>	
Current lease liabilities	554	-	-	554	
Non-current lease liabilities	-	1,110	-	1,110	
	<hr/>	<hr/>	<hr/>	<hr/>	
At 31 December 2025	554	1,110	-	1,664	
	<hr/>	<hr/>	<hr/>	<hr/>	

Marlow Foods Limited
Notes to the company financial statements
For the year ended 31 December 2025

29. Right of use assets and lease liabilities (continued)

Amounts recognised in the income statement

	Year ended 31 December 2025 £000	Year ended 31 December 2024 £000
Depreciation	706	813
Interest	94	138
Expenses relating to short-term/low value leases	294	360

30. Investments in subsidiaries

	£000
Cost and net book value at 31 December 2024	1,186
Cost and net book value at 31 December 2025	1,186

Company Name	Principal activity	Percentage holding	Place of incorporation and operation, registered office
Quorn Foods Inc	Distributor of Quorn products	100%	USA, 213 W. Institute Place, Suite 610 Chicago, IL 60610
Quorn Smart Life GmbH	Distributor of Quorn products	100%	Germany, Heiner-Fleischmann-Strasse 6, 74172, Neckarsulm
Quorn Foods Limited	Dormant	100%	United Kingdom, Station Road, Stokesley. North Yorkshire England TS9 7AB
Cauldron Foods Limited	Dormant	100%	United Kingdom, Station Road, Stokesley. North Yorkshire England TS9 7AB
Quorn Foods Sweden AB	Sales office and distributor of Quorn products	100%	c/o Skeppsbron Skatt, Skeppsbron 20, 111 30 Stockholm

As at 31 December 2025, Marlow Foods Limited had five wholly owned subsidiaries (2024: five subsidiaries).

Marlow Foods Limited

Notes to the company financial statements

For the year ended 31 December 2025

31. Inventories

	2025 £000	2024 £000
Raw materials	5,755	9,597
Work-in-progress	6,677	7,464
Finished goods	14,763	19,772
	<u>27,195</u>	<u>36,833</u>

The cost of inventories recognised as an expense during the year in respect of continuing operations was £107.0m (2024: £117.6m).

The cost of inventories recognised as an expense includes £1.9m (2024: £2.0m) in respect of write-downs of inventory to net realisable value.

32. Trade and other receivables

	2025 £000	2024 £000
Amount receivable for the sale of goods	12,700	13,212
Amounts owed by Group: others	152	195
Amounts owed by Group: subsidiaries	4,791	5,673
Prepayments	2,717	2,406
Other receivables	1,666	1,158
Corporation tax	652	674
	<u>22,678</u>	<u>23,318</u>
Amounts owed by group entities: parent due after one year	<u>13,239</u>	<u>10,349</u>

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

On the 25 September 2023, the Group entered into a Receivables Purchase Agreement with HSBC Invoice Finance (UK) Limited ("HSBC"). This agreement requires the Group to assign eligible receivables generated through its trading activities to HSBC. Under the terms of this agreement, the Group irrevocably assigns all rights to HSBC and all risks and rewards of ownership of the financial asset are therefore transferred. Upon transfer of these rights, the receivable asset is recognised as due from HSBC in the financial statements of the Group. There is a maximum agreement limit of £20m. Amounts of £12.4m were assigned under the agreement at the year end (2024: £11.5m).

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on a regular basis. Of the gross trade receivables balance at the end of the year, £4.7m (2024: £4.3m) is due from the Group's largest customer. There are four other UK retail customers who together represent a further £9.7m which is 41.1 per cent of the total balance of gross trade receivables (2024: £9.2m, 42.3 per cent).

Marlow Foods Limited
Notes to the company financial statements
For the year ended 31 December 2025

33. Loans and borrowings

	2025 £000	2024 £000
Amounts repayable in less than 1 year	-	5,000
Amounts repayable in greater than 1 year	14,000	39,000
	<u>14,000</u>	<u>44,000</u>

On 29 May 2025 MFL prepaid £25m of an external bank term loan. On 11 March 2024 MFL prepaid £27m of an external bank term loan. In December 2024 MFL triggered the extension clause in the syndicate loan agreement, which at the year end had £14m outstanding (2024: £39m). This extension added two years to the original term of the debt, which will now fall due for repayment in June 2027.

34. Trade and other payables

	2025 £000	2024 £000
Amounts falling due within one year:		
Trade payables	15,617	14,891
Amounts owed to Group: parent and others	24,803	25,062
Amounts owed to Group: subsidiaries	3,151	3,049
Accruals	13,708	11,529
Tax and social security	1,011	1,885
Fair value of interest rate swap	-	10
	<u>58,290</u>	<u>56,426</u>

Marlow Foods Limited
Notes to the company financial statements
For the year ended 31 December 2025

35. Deferred tax liability

	2025	2024
	£000	£000
At 1 January	-	-
Derecognition of tax assets	116	120
Charge / (credit) to the Income statement	-	-
Charge / (credit) to the income statement - RDEC	(116)	(120)
Adjustment in relation to prior years	-	-
	<hr/>	<hr/>
At 31 December	-	-
	<hr/> <hr/>	<hr/> <hr/>
Accelerated capital allowances	6,880	6,880
Losses	(6,380)	(6,380)
Other	(500)	(500)
	<hr/>	<hr/>
At 31 December	-	-
	<hr/> <hr/>	<hr/> <hr/>

Deferred tax has not been recognised to the extent that it can be offset against the deferred tax liability in respect of fixed assets. As a result, deferred tax has not been recognised in respect of corporate interest restriction differences of £5.4m (2024: £5.4m) and gross losses of £66.0m (2024: £20.0m), the gross increase in the deferred tax liability in respect of fixed assets of £14.0m (2024: £15.6m) and other deferred tax assets £0.2m (2024: £0.2m).

36. Share capital

The movements on these items are disclosed in note 18 to the consolidated financial statements.

37. Related party transactions

All related party transactions and balances are subject to the exemption for Group companies or are disclosed above in notes 32 and 34.