

Report and accounts

for the year ended 31 December 2003

	Pages
Directors' report	1 - 2
Report of the Auditor	3
Group profit and loss account	4
Statement of total recognised gains and losses	4
Note of historical cost profits and losses	4
Group balance sheet	5
Company balance sheet	6
Group cash flow statement	7
Notes to the financial statements	8 - 16
Five year record	17



Robinson & Sons Limited

Directors' report

for the year ended 31 December 2003

The directors present their report and the audited accounts of the Group for the year ended 31 December 2003.

Principal activity

The principal activity of the Group is the manufacture and marketing of paperboard and plastic packaging.

Review of business

The Group made a retained profit of £60,000 (2002: £2,065,000) during the year and this has been added to shareholders funds.

Turnover was marginally lower but the gross profit fell by 20% (£845,000) due to a number of factors, including:

- labour productivity
- exchange rates
- raw material prices, and
- selling price pressures.

Overheads increased by £1,291,000 of which the main items were pension contributions and reduced income from let properties and from the previously associated company, Robinson Healthcare Ltd.

Exceptional items included £506,000 in respect of the accelerated depreciation of plant and equipment, £323,000 in respect of building demolition costs and £163,000 in respect of the reduction in the value of land and buildings. A profit of £1,154,000 was realised on the disposal of surplus properties during the year.

Results

	2003 £'000	2002 £'000
Operating (loss)/profit before exceptional items	(411)	1,725
Operating (loss)/profit	(1,552)	659
(Loss)/profit before taxation	(101)	2,984
Retained profit	60	2,065

Dividends

The directors have declared the following dividends in respect of the year ended 31 December 2003:

	2003 £'000	2002 £'000
Interim of £2.00 per share, paid 6 October 2003	229	218
Interim of £2.00 per share, payable 6 April 2004	228	229

The directors do not recommend the payment of a final dividend.

Directors and directors' interests

The directors of the company during the year together with their interests were as follows:

	£1 Shares	
	31 December	1 January
Beneficially held		
B P Ford	-	-
C C A Glossop	902	900
J B Marx (appointed 12 May 2003)	-	-*
C W G Robinson	4,845	4,799
P B Robinson (retired 8 May 2003)	9,757*	9,757
Held as Trustee		
C C A Glossop	17,928	17,658
C W G Robinson	17,928	17,658
P B Robinson (retired 8 May 2003)	17,758*	17,658

* on appointment or retirement

No director had any interest in the shares of any other Group company. The Company maintains insurance cover to protect directors and officers in respect of their duties as directors and officers of the Group. During the year none of the directors had any material interest in any contract of significance in relation to the Group's business.

Robinson & Sons Limited

In accordance with the Company's Articles of Association, C C A Glossop retires by rotation and offers himself for re-election. J B Marx, having been appointed since the last annual general meeting, also offers himself for re-election.

Charitable and political contributions

During the year the Group made charitable contributions totalling £4,131 (2002: £3,101). No contributions were made to political organisations.

Employees

The Group recognises the need to ensure effective communications with employees. During the year, they were provided with financial and other information affecting the Group and its various operations, by means of the house magazine, and quarterly briefings and newsletters. Consultative committees in the different areas of the Group enabled the views of employees to be heard and taken into account when making decisions likely to affect their interests.

Research and development

The Group has continued its commitment to the development and research of existing and new products.

Health and safety

Group policy is to provide and maintain a safe and healthy working environment for all employees and other people who may be affected by our activities and to provide such information, training and supervision as is required for the purpose.

Employment of disabled persons

In accordance with Group policy, full and fair consideration is given to the employment of disabled persons, having regard to their particular aptitudes and abilities and the responsibility and physical demands of the job. Disabled employees are provided with equal opportunities as regards training and career development.

Directors' responsibilities

The directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 2003. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

Remuneration Committee

The remuneration committee is chaired by Anthony Glossop. The committee's primary function is to review the performance of executive directors and senior employees and to set their remuneration and other terms of employment. It is also responsible for administering any share option and bonus schemes.

Audit Committee

The audit committee is chaired by Brian Ford. The committee reviews the financial and accounting policies, interim and full year results and reports prior to their publication and receives reports from the group's auditor on matters arising from their audit of the financial statements and reviews of internal control procedures.

By Order of the Board

C W G Robinson

Secretary

Chesterfield

4 March 2004

Report of the auditor

Independent auditor's report to the shareholders of Robinson & Sons Limited

We have audited the financial statements of Robinson & Sons Limited for the year ended 31 December 2003, which comprise the Group's Profit and Loss Account, the Group's and Company's Balance Sheet, the Group's Cash Flow Statement, the Group's Statement of Total Recognised Gains and Losses, the Group's Note of Historical Cost Profits and Losses and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Annual Report and the financial statements, in accordance with applicable law and United Kingdom accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company and Group have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company and Group is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

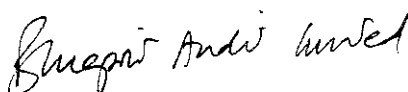
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company and Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and Group as at 31 December 2003 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Blueprint Audit Limited

Chartered Accountants and Registered Auditor

Nottingham

4 March 2004

Robinson & Sons Limited**Group profit and loss account**
for the year ended 31 December 2003

	Notes	2003 £'000	2002 £'000
Turnover	1	24,669	24,790
Cost of sales		(21,410)	(20,686)
Gross Profit		3,259	4,104
Overheads excluding exceptional items	2	(3,670)	(2,379)
Exceptional items	3	(1,141)	(1,066)
Overheads		(4,811)	(3,445)
Operating (loss)/profit		(1,552)	659
Share of operating profit in associate		-	929
Profit on disposal of land and buildings		1,154	77
Profit on sale of share in associated company		-	1,162
(Loss)/profit on ordinary activities before interest		(398)	2,827
Interest	6	297	475
Share of interest charge in associate		-	(318)
(Loss)/profit on ordinary activities before taxation		(101)	2,984
Taxation	7	618	(472)
Profit on ordinary activities after taxation		517	2,512
Dividends	8	(457)	(447)
Retained profit for the year	19	60	2,065

All amounts relate to continuing operations.

Statement of total recognised gains and losses

Profit for the financial year	517	2,512
Unrealised deficit on revaluation of properties	(9)	-
Currency translation differences on foreign currency net investments	(55)	-
Total gains recognised since last annual report	453	2,512

Note of historical cost profits and losses

Profit on ordinary activities before taxation	(101)	2,984
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(20)	15
Release of revaluation surpluses of previous years on property transactions during the year	(84)	-
Historical cost profit on ordinary activities before taxation	(205)	2,999
Historical cost profit for the year after taxation and dividends	(44)	2,080

Robinson & Sons Limited

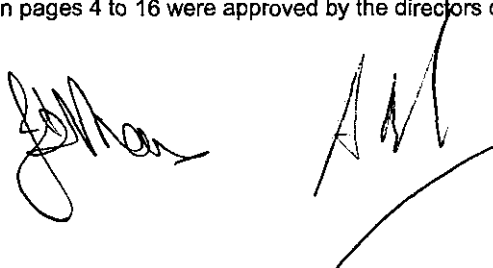
Group balance sheet

at 31 December 2003

	Notes	2003 £'000	2002 £'000
Tangible fixed assets	9	15,771	17,746
Current assets			
Stocks	11	1,604	1,619
Debtors	12	5,708	5,440
Cash at bank and in hand	13	9,309	8,599
		16,621	15,658
Creditors: amounts falling due within one year	14	(5,635)	(6,704)
Net current assets		10,986	8,954
Total assets less current liabilities		26,757	26,700
Provisions for liabilities and charges	16	(631)	(967)
Net assets		26,126	25,733
Capital and reserves			
Called up share capital	18	132	132
Share premium account	19	398	398
Capital redemption reserve	19	164	164
Revaluation reserve	19	5,539	5,310
Profit and loss account	19	19,893	19,729
Equity Shareholders' funds	20	26,126	25,733

The accounts on pages 4 to 16 were approved by the directors on 4 March 2004

B P Ford
J B Marx
Directors



Robinson & Sons Limited

Company balance sheet

at 31 December 2003

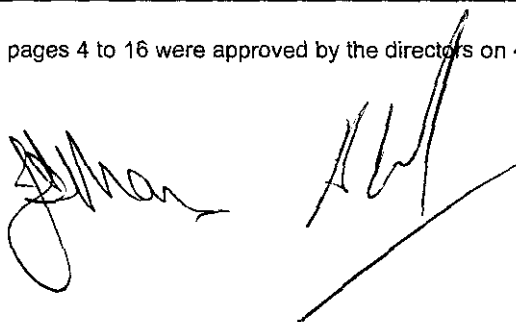
	Notes	2003 £'000	2002 £'000
Fixed assets			
Tangible assets	9	4,823	15,289
Investments	10	10,075	1,248
		14,898	16,537
Current assets			
Stocks	11	807	1,528
Debtors	12	5,166	6,881
Cash at bank and in hand	13	11,219	9,510
		17,192	17,919
Creditors: amounts falling due within one year	14	(5,258)	(6,104)
Net current assets		11,934	11,815
Total assets less current liabilities		26,832	28,352
Creditors: amounts falling due after more than one year	15	(3,734)	(3,734)
Provisions for liabilities and charges	16	(503)	(1,093)
Net assets		22,595	23,525
Capital and reserves			
Called up share capital	18	132	132
Share premium account	19	398	398
Capital redemption reserve fund	19	164	164
Revaluation reserves	19	2,844	5,215
Profit and loss account	19	19,057	17,616
Equity Shareholders' funds		22,595	23,525

The accounts on pages 4 to 16 were approved by the directors on 4 March 2004

B P Ford

J B Marx

Directors



Robinson & Sons Limited
Group cash flow statement
for the year ended 31 December 2003

	2003 £000	2002 £000
Cash inflow from trading activities		
Operating (loss)/profit	(1,552)	659
Depreciation charges and write-down of fixed assets	2,710	2,393
(Profit)/loss on sale of other tangible fixed assets	(15)	60
Decrease/(Increase) in stocks	15	(198)
(Increase)/decrease in debtors	(66)	1,434
Decrease in creditors	(610)	(851)
Increase in provisions	84	106
Net cash inflow from trading activities	566	3,603
Returns on investments and servicing of finance		
Interest received	314	458
Interest paid	(23)	(17)
Net cash inflow from returns on investments and servicing of finance	291	441
Taxation		
UK corporation tax paid	(469)	(369)
Capital expenditure and financial investment		
Acquisition of tangible fixed assets	(1,140)	(2,009)
Sale of non-operational properties	1,870	-
Sale of share in Robinson Healthcare Ltd	-	5,318
Sales of other tangible fixed assets	50	73
Net cash inflow from capital expenditure and financial investment	780	3,382
Equity dividends paid	(458)	(435)
Net cash inflow before use of liquid resources and financing	710	6,622
Management of liquid resources		
Increase in short term cash deposits with UK banks	(1,058)	(6,524)
Net cash outflow from management of liquid resources	(1,058)	(6,524)
(Decrease)/increase in cash (note 22)	(348)	98
Analysis of changes in cash during the year		
Balance at 31 December 2003	727	1,075
Balance at 31 December 2002	1,075	977
Net cash (outflow)/inflow	(348)	98

Notes to the financial statements

for the year ended 31 December 2003

1 Turnover and profit on ordinary activities before taxation

	2003 £'000	2002 £'000
Turnover was attributable to the following geographical markets		
United Kingdom	18,984	18,372
E.C.	2,578	2,517
Other	3,107	3,901
	24,669	24,790

Profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation of owned fixed assets	2,547	2,216
Auditors' remuneration		
Audit	28	23
Other services	-	1
Profit on sale of fixed assets	(15)	(32)
Profit on foreign exchange	(20)	(1)
Hire of plant and machinery - operating leases	7	9

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these accounts and its loss after taxation for the financial year amounted to £2,679,817.

2 Overheads

	2003 £'000	2002 £'000
Selling, marketing and distribution costs	1,510	1,294
Administrative expenses	2,463	1,590
Net income from let properties	(303)	(505)
	3,670	2,379

3 Exceptional items

	2003 £'000	2002 £'000
Accelerated write-down of fixed assets	506	177
Building demolition costs	323	-
Reduction in value of properties	163	-
Redundancy costs	149	189
Write off of SSAP24 pension prepayment	-	700
	1,141	1,066

4 Directors' emoluments

The remuneration paid to the directors was:

	2003 £'000	2002 £'000
Fees	30	28
Other emoluments (including benefits in kind)	255	360

Retirement benefits are accruing to two directors under a defined benefit pension scheme. Details in respect of the highest paid director are as follows:

Aggregate emoluments	97	195
Defined benefit pension scheme:		
Accrued pension at end of year	31	75

Robinson & Sons Limited

5 Employee information

The average monthly number of persons (including executive directors) employed by the Group during the year was:

	2003	2002
	462	499
Staff costs (for the above):	£'000	£'000
Wages and salaries	8,213	7,689
Social security costs	788	636
Pension costs	318	48
	9,319	8,373

6 Interest

	2003 £'000	2002 £'000
Investment income		
Income from short term deposits and loans	320	123
Interest received from loan to associate	-	369
	320	492
Interest payable on loans repayable within five years, not by instalments	(23)	(17)
	297	475

7 Taxation

	2003 £'000	2002 £'000
Current tax:		
UK corporation tax at 30%	-	614
Overseas tax	5	4
Share of tax charge in associated company	-	183
Total current tax	5	801
Deferred tax:		
UK tax at 30%	(702)	(318)
Adjustments in respect of prior periods	5	(21)
Overseas tax	74	10
Total deferred tax	(623)	(329)
	(618)	472

The tax charge for the period is lower than the standard rate of UK corporation tax (30 per cent). The differences are explained below:

(Loss)/profit on ordinary activities before tax	(101)	2,984
At the effective rate of tax of 30%	(31)	895
Capital allowances in excess of depreciation	(47)	16
Tax losses carried forward/(utilised)	138	(59)
Effect of waiver of loan to Rompa Nederland BV prior to sale	(68)	-
Short term timing differences	66	-
Book value of property disposals in excess of capital gains	(40)	-
(Profits)/losses on disposal of plant and machinery	(4)	45
Sale of Robinson Healthcare Limited	-	(349)
Timing effect of pension prepayment	-	258
Other differences	(9)	(5)
Current tax charge for the period	5	801

There are tax losses of £279,000 and taxation on depreciation in excess of capital allowances of £144,000 carried forward in Robinson Paperboard Packaging North America which are not recognised in these accounts because of uncertainty as to their future utilisation. There are capital losses carried forward of £2,393,000 (2002: £2,393,000). With this exception, the directors are not aware of any material factors affecting the future tax charge.

Robinson & Sons Limited

8 Dividends

	2003 £'000	2002 £'000
Ordinary: first interim paid	229	218
second interim payable	228	229
	457	447

9 Tangible fixed assets

Group	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost or valuation				
At 1 January 2003	12,386	150	19,995	32,531
Additions at cost	-	-	1,140	1,140
Disposals	(750)	-	(407)	(1,157)
Deficit on revaluation	(1,320)	(100)	-	(1,420)
Exchange movement	-	-	80	80
At 31 December 2003	10,316	50	20,808	31,174
Depreciation				
At 1 January 2003	1,167	113	13,505	14,785
Charge for year	342	4	1,695	2,041
Provision for impairment	-	-	506	506
Eliminated in respect of disposals	(34)	-	(372)	(406)
Surplus on revaluation	(1,454)	(117)	-	(1,571)
Exchange movement	-	-	48	48
At 31 December 2003	21	-	15,382	15,403
Net book value				
At 31 December 2003	10,295	50	5,426	15,771
At 1 January 2003	11,219	37	6,490	17,746
Cost or valuation at 31 December 2003 is represented by:				
Valuation in 2003	10,316	50	-	10,366
Cost	-	-	20,808	20,808
	10,316	50	20,808	31,174
Company				
Cost or valuation				
At 1 January 2003	9,697	150	19,020	28,867
Additions at cost	-	-	1,125	1,125
Disposals	(9,735)	-	(8,743)	(18,478)
Surplus/(deficit) on revaluation	1,370	(100)	-	1,270
At 31 December 2003	1,332	50	11,402	12,784
Depreciation				
At 1 January 2003	543	113	12,922	13,578
Charge for year	150	4	1,495	1,649
Provision for impairment	-	-	506	506
Eliminated in respect of disposals	(34)	-	(6,963)	(6,997)
(Surplus)/deficit on revaluation	(658)	(117)	-	(775)
At 31 December 2003	1	-	7,960	7,961
Net book value				
At 31 December 2003	1,331	50	3,442	4,823
At 1 January 2003	9,154	37	6,098	15,289
Cost or valuation at 31 December 2003 is represented by:				
Valuation in 2003	1,332	50	-	1,382
Cost	-	-	11,402	11,402
	1,332	50	11,402	12,784

Robinson & Sons Limited

If land and buildings had not been revalued they would have been included at the following amounts:

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Cost	8,425	10,327	646	7,638
Aggregate depreciation based on cost	3,509	3,847	221	3,659
Net book value	4,916	6,480	425	3,979

For the purpose of the 2003 financial statements, land and buildings were valued at open market value on an existing use basis at 28 November 2003. These valuations were made by Robbins, Renshaw, a firm of independent surveyors, valuers and commercial property consultants. They are based on existing local town plan allocations for the properties concerned as at the valuation date. In respect of surplus properties to the trading activities of the group, no account has been taken of enhanced values that could be achieved in future through more favourable planning consents. The net surplus on valuation amounted to £151,000; £314,000 was credited directly to reserves and £163,000 was charged to the profit and loss account as an exceptional item.

10 Fixed asset investments

Company	Interests in group undertakings £'000	Loans to group undertakings £'000	Total £'000
Cost			
At 1 January 2003	1,535	125	1,660
Re-classification from current assets	-	2,769	2,769
Additions	1	8,136	8,137
Waiver of loan to subsidiary	-	(75)	(75)
At 31 December 2003	1,536	10,955	12,491
Amounts written off			
At 1 January 2003	287	125	412
Re-classification from current assets	-	399	399
Waiver of loan to subsidiary	-	(75)	(75)
Provided	-	1,680	1,680
At 31 December 2003	287	2,129	2,416
Net book value			
At 31 December 2003	1,249	8,826	10,075
At 1 January 2003	1,248	-	1,248

Interests in group undertakings

Name of undertaking	Shares held	Activities
Furnace Hill Limited	100 ordinary shares of £1	Property company
Griffin Estates (Chesterfield) Limited	100 ordinary shares of £1	Property company
Lowmoor Estates Limited	100 ordinary shares of £1	Property company
Portland Works Limited	100 ordinary shares of £1	Property company
Robinson Industrial Properties Limited	1,000,000 ordinary shares of £1	Property company
Robinson (Overseas) Limited	2 ordinary shares of £1	Holding company
Robinson Packaging Limited	100 ordinary shares of £1	Holding company
Robinson Paperboard Packaging Limited	100 ordinary shares of £1	Marketing and manufacture of paperboard packaging
Walton Estates (Chesterfield) Limited	100 ordinary shares of £1	Property company

The country of incorporation of each of the above companies is England and the percentage shareholding is 100%.

Robinson & Sons Limited

11 Stocks

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Raw materials and consumables	862	802	389	742
Work in progress	26	55	26	55
Finished goods and goods for resale	716	762	392	731
	1,604	1,619	807	1,528

There is no material difference between the historic cost and the replacement cost of stocks.

12 Debtors

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Prepayments and accrued income	163	105	163	47
Amounts falling due within one year:				
Trade debtors	4,677	4,928	2,540	4,636
Amounts owed by group undertakings	-	-	1,740	1,763
Other debtors	407	154	394	186
Prepayments and accrued income	265	253	209	249
Deferred tax asset	196	-	120	-
	5,545	5,335	5,003	6,834
	5,708	5,440	5,166	6,881

13 Cash

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Cash in hand and deposits repayable on demand	727	1,075	2,637	1,986
Short term deposits with UK banks	8,582	7,524	8,582	7,524
	9,309	8,599	11,219	9,510

14 Creditors: amounts falling due within one year

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Trade creditors	2,666	2,873	1,189	2,754
Amounts owed to group undertakings	-	-	2,215	86
Corporation tax payable	46	504	40	474
Social security and other taxes	728	631	509	601
Other creditors	614	837	381	772
Accruals and deferred income	1,352	1,630	695	1,188
Proposed dividends	229	229	229	229
	5,635	6,704	5,258	6,104

Other creditors includes £34,000 (2002: £144,000) in respect of an unsecured loan at variable rates of interest, repayable on demand.

15 Creditors: amounts falling due after more than one year

	Company	
	2003	2002
	£'000	£'000
Amounts owed to group undertakings	3,734	3,734

16 Provisions for liabilities and charges

	Relocation, re-organisation & redundancy £'000	Post- retirement benefits £'000	Employers pension contributions £'000	Deferred taxation £'000	Total £'000
Group					
At 1 January 2003	169	277	-	521	967
Transferred from/(to) profit and loss account in the year	40	-	282	(427)	(105)
Exchange difference on balance brought forward	-	-	-	(6)	(6)
Utilised in year	(169)	(56)	-	-	(225)
At 31 December 2003	40	221	282	88	631
Company					
At 1 January 2003	169	277	-	647	1,093
Transferred to subsidiary company	(71)	-	-	-	(71)
Transferred from/(to) profit and loss account in the year	71	-	282	(647)	(294)
Utilised in year	(169)	(56)	-	-	(225)
At 31 December 2003	-	221	282	-	503

Deferred taxation	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Tax effect of timing differences:				
Excess of tax allowances over depreciation	91	708	62	766
Short term timing differences	(178)	(119)	(182)	(119)
Tax effect of UK losses carried forward	(21)	-	-	-
Tax effect of overseas losses carried forward	-	(68)	-	-
	(108)	521	(120)	647
Shown above as a provision	88	521	-	647
Shown in debtors (note 12)	(196)	-	(120)	-
	(108)	521	(120)	647

Tax losses of £279,000 and taxation on depreciation in excess of capital allowances of £144,000 carried forward in Robinson Paperboard Packaging North America are not recognised in these accounts because of uncertainty as to their future utilisation.

17 Pensions and similar obligations

The Group operates one principal pension scheme, the Robinson & Sons Limited Pension Fund, of which approximately 43% of UK employees are members. The scheme has a defined benefit section, which was closed to new members in 1997 and a defined contribution section introduced in 1998.

In respect of the defined benefit section, contributions to the pension schemes are made and the pension cost is assessed in accordance with the advice of an independent qualified actuary using a market-led approach.

The latest actuarial valuation of the scheme was at 5 April 2002. The most significant assumptions were:

Increase in pensionable earnings	4.3% per annum
Pension increases	3.0% per annum
Price inflation	2.8% per annum
Pre-retirement discount rate	7.1% per annum
Post-retirement discount rate	5.1% per annum

At the most recent actuarial valuation at 5th April 2002, which was carried out by Garvins using the Attained Age method, the defined benefit scheme had assets with a market value of £51m. The actuarial value of the scheme assets represented 138% of the liabilities for benefits that had accrued to members, after allowing for expected future increases in earnings.

Following the actuarial valuation it was clear that the scheme surplus would be more than sufficient to fund future contributions for existing scheme members. Consequently no contributions are being paid by the employer to the Fund. In view of market conditions during 2002/3, agreement was, however, made with the Trustees of the Pension Fund to set aside employer contributions in the accounts. This would continue until the next actuarial valuation in April 2005, when the outcome would determine whether the contributions would be paid over to the Fund or retained in the Company. The total set aside at 31 December 2003 amounted to £282,000 (see note 16 above).

17 Pensions and similar obligations (continued)

As at 31 December 2003, the estimated balance sheet position was as follows:

	2003 £m	2002 £m
Total market value of assets		
Equities	34.6	31.6
Bonds	7.7	6.1
Other	1.3	1.7
	43.6	39.4
Present value of scheme liabilities	(37.0)	(36.5)
Surplus in the scheme	6.6	2.9
Net pension asset before deferred tax	6.6	2.9
The financial assumptions used in estimating this position were:		
Discount rate	5.5%	5.5%
Rate of pension increases	3.0%	3.0%
Rate of pay increases	3.5%	3.5%
Inflation	2.5%	2.5%
The net expected long term rate of return is as follows:		
Equities (UK & overseas)	7.5%	7.5%
Corporate bonds	5.5%	5.5%
Government bonds	4.8%	4.5%
Property	6.0%	6.0%
Cash	3.0%	3.0%
Insured pensions	5.5%	5.0%

The following estimated amounts for 2003 have not been recognised in the accounts under the transitional disclosures for FRS17:

	£'000	£'000
Charged to operating profit		
Current service charge	250	365
Past service charge	68	-
Total operating charge	318	365
Amount credited to other finance income		
Expected return on assets	2,600	3,524
Interest on scheme liabilities	(1,950)	(2,441)
Net return	650	1,083
Analysis of amount recognised in statement of total recognised gains and losses ("STRGL")		
Actual return less expected return on pension scheme assets	4,233	(12,598)
Experience gains and losses arising on the scheme liabilities	(907)	1,700
Changes in assumptions underlying the present value of the scheme liabilities	-	4,486
Actual gain recognised in STRGL	3,326	(6,412)
Movement in surplus during the year		
Surplus in scheme at the beginning of the year	2,906	8,600
Current service cost	(250)	(365)
Past service costs	(68)	-
Other finance income	650	1,083
Actuarial gain	3,326	(6,412)
Surplus in scheme at the end of the year	6,564	2,906

	2003		2002	
	£'000	%	£'000	%
History of experience gains and losses				
Difference between expected and actual return on assets	4,233	10	(12,598)	32
Experience gains and losses on scheme liabilities	(907)	(2)	1,700	5
Total amount recognised in STRGL	3,326	9	(6,412)	18

The Group provides benefits to certain retired employees and medical insurance to an executive director on retirement. A provision has been made to meet this liability. The principal assumptions used in determining the required provisions are of a discount rate of 5% per annum and an inflation rate of 3% per annum (7% for medical insurance). The credit to the profit and loss account in respect of expenditure relating to the provision in 2003 was £56,000 (2002: £7,000).

Robinson & Sons Limited

18 Called up share capital

	2003 £ '000	2002 £ '000
Authorised:		
350,500 ordinary shares of £1 each	351	351
Allotted, called up and fully paid:		
132,252 (2002: 132,252) ordinary shares of £1 each	132	132

19 Reserves

	Share premium account £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Profit and loss account £'000
Group				
At 1 January 2003	398	164	5,310	19,729
Exchange difference on translation			19	
Surplus on revaluation			314	
Release of revaluation reserves as a result of property transactions			(104)	104
Retained profit for the year				60
At 31 December 2003	398	164	5,539	19,893
Company				
At 1 January 2003	398	164	5,215	17,616
Surplus on revaluation			2,207	
Release of revaluation reserves as a result of property transactions			(4,578)	4,578
Retained loss for the year				(3,137)
At 31 December 2003	398	164	2,844	19,057

20 Reconciliation of movements in shareholders' funds

	2003 £'000	2002 £'000
Group		
Profit after taxation for the financial year	517	2,512
Dividends	(457)	(447)
	60	2,065
Surplus on revaluation	314	-
Exchange difference on translation	19	(15)
Net addition to shareholders' funds	393	2,050
Shareholders' funds at 1 January	25,733	23,683
Shareholders' funds at 31 December	26,126	25,733

21 Capital commitments

	Group		Company	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000
Contracted but not provided in these accounts	140	119	111	119

22 Analysis of net funds

	At 1 Jan 2003 £'000	Cash Flow £'000	At 31 Dec 2003 £'000
Cash in hand and deposits repayable on demand	1,075	(348)	727
Short term deposits with UK banks	7,524	1,058	8,582
	8,599	710	9,309

23 Accounting policies

The accounts are prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important Group accounting policies, which have been applied consistently, is given below.

Accounting convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

Consolidation

The Group accounts include the audited accounts of the Company and all its subsidiary companies. The accounts of foreign subsidiaries have been translated using the closing rate method and the exchange differences transferred to reserves.

Turnover

Turnover represents external revenue from sales of products, exclusive of value added tax and trade discounts.

Deferred taxation

Deferred tax has been provided in full in accordance with the requirements of FRS19.

Depreciation

Depreciation is provided at various rates calculated to reduce the cost of fixed assets to residual values at the end of their expected useful lives, which are principally as follows:

Buildings, excluding residential properties	40 years
Plant and equipment	3 to 20 years

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost, in the case of own manufactured items, comprises the cost of labour, materials and attributable overhead expenses.

Robinson & Sons Limited
Five year record

	Year ended 31 December	1999 £'000	2000 £'000	2001 £'000	2002 £'000	2003 £'000
Profit and loss account						
Turnover						
Continuing		22,135	22,499	23,843	24,790	24,669
Discontinued		19,566	3,530	-	-	-
Total turnover		41,701	26,029	23,843	24,790	24,669
Gross profit						
Continuing		3,252	3,570	4,000	4,104	3,259
Discontinued		4,971	1,225	-	-	-
Total gross profit		8,223	4,795	4,000	4,104	3,259
Trading (loss)/profit (operating (loss)/profit before exceptional items)						
Continuing		900	1,262	1,631	1,725	(411)
Discontinued		701	110	-	-	-
Total trading (loss)/profit		1,601	1,372	1,631	1,725	(411)
Operating profit/(loss)						
Continuing		(1,037)	1,185	1,520	659	(1,552)
Discontinued		406	110	-	-	-
Total operating profit/(loss)		(631)	1,295	1,520	659	(1,552)
Associate and joint venture (net of interest)		34	-	(361)	611	-
Exceptional items		(1,311)	452	-	1,239	1,154
Interest		439	303	349	475	297
Profit/(loss) before tax		(1,469)	2,050	1,508	2,984	(101)
Taxation		364	(422)	(288)	(472)	618
Dividends		(597)	(445)	(439)	(447)	(457)
Retained profit/(loss)		(1,702)	1,183	781	2,065	60
Net assets		33,886	23,056	23,683	25,733	26,126
Operating profit:sales (continuing operations)		-4.7%	5.3%	6.4%	2.7%	-6.3%
Return on shareholders' funds		-4.3%	8.9%	6.4%	11.6%	-0.4%
Earnings per share		-£4.93	£10.95	£9.12	£18.99	£3.91