

# ROBINSON

Packaging Innovation

## 2010 FINANCIAL STATEMENTS



Registered Number: 39811

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## DIRECTORS AND ADVISERS

<b>Directors</b>	Richard John Clothier – <i>Non-executive Chairman</i> Adam Jonathan Formela – <i>Chief Executive</i> Charles William Guy Robinson – <i>Finance Director</i> Charles Compton Anthony Glossop – <i>Non-executive Director</i>
<b>Registered Office</b>	Portland, Goyt Side Road, Chesterfield, S40 2PH
<b>Nominated Adviser/Broker</b>	Arbuthnot Securities Limited 20 Ropemaker Street, London, EC2Y 9AR
<b>Solicitor</b>	DLA Piper UK LLP 1 St Paul's Place, Sheffield, S1 2JX
<b>Auditor</b>	Grant Thornton UK LLP 2 Broadfield Court, Sheffield, S8 0XF
<b>Registrar</b>	Neville Registrars Limited 18 Laurel Lane, Halesowen, B63 3DA
<b>Banker</b>	Lloyds Bank Corporate Markets Butt Dyke House, 33 Park Row, Nottingham, NG1 6GY

The Company is incorporated in England, registered no 39811

## Report on corporate governance

The Company is committed to high standards of corporate governance in keeping with its size

### **The Board**

The Company supports the concept of an effective board leading and controlling the Group. The Board is responsible for approving Group policy and strategy and the Directors are free to seek any further information they consider necessary. All Directors have access to independent professional advice at the Group's expense.

The Board has a written statement of its responsibilities and there are written terms of reference for the Nomination, Remuneration and Audit committees. The Chairman and Non-executive Director, whose time commitment to the Company is commensurate with their remuneration, hold other positions as set out in the biographies below.

The Board meets regularly on dates agreed each year for the calendar year ahead. This is typically seven times per year although additional meetings are called as and when deemed necessary.

The Board consists of a Non-executive Chairman, one other Non-executive Director, a Chief Executive and a Finance Director. This provides a broad background of experience and a balance whereby the Board's decision making cannot be dominated by an individual. The Chairman of the Board is Richard Clothier and the Group's business is run by the Chief Executive (Adam Formela) and Guy Robinson, the Finance Director. The biographies of the Directors, who we consider to be the key managers of the business, are set out below.

#### ***Richard Clothier, Non-executive Chairman***

After a period with the Milk Marketing Board, Richard joined the Dalgety group in 1977. In 1988 he was appointed Chief Executive of PIC which was then a subsidiary of the group. In 1992 he was appointed to the main board of Dalgety Plc and took over as Group Chief Executive in 1993. In 1998 he joined PGI Group Plc as Chief Executive. He also served as non-executive director of Granada Plc until 2004 and is currently Chairman of Aqua Bounty Technologies Plc, Spearhead International Ltd and Sales Activation Solutions Ltd. Richard joined the Robinson Board in May 2004.

#### ***Adam Formela, Chief Executive***

Adam started his career with Black & Decker, rising to the rank of European Director of Sales & Marketing before moving into general management with Electrolux and then Kenwood Appliances. He then moved to GRP Ltd, a Singapore listed company as Group Chief Executive, before returning to Europe to work with Acco Brands Corporation as vice president of operations, business development and sales & marketing before becoming President of the Document Communication division. Adam joined the Board in February 2007.

#### ***Guy Robinson, Finance Director***

Guy has an honours degree in mechanical engineering from Nottingham University and qualified as a Chartered Accountant in 1981 at Coopers & Lybrand, working for them until he joined Robinson as Management Information Systems manager in 1985. He has held the positions of Group Finance Controller and Packaging Division Financial Director and was appointed Group Finance Director in 1995. He has been responsible for working with the Board on a number of business acquisitions and disposals and is responsible for the Group's significant property portfolio.

#### ***Anthony Glossop, Non-executive Director***

Anthony was appointed a director in 1995 and is Chairman of the Remuneration Committee. After qualifying as a solicitor he entered industry as a company secretary. He became Chief Executive of a West Midlands engineering group. During the engineering recession of the 1980's he steered that group into what is now St Modwen Properties, of which he was Chief Executive and then Chairman.

### **Shareholders**

The Company maintains close contact with its brokers, who keep the Board informed of the views of the investor community. The Company values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting is used to communicate with private investors and they are encouraged to participate. The Directors will be available at the Annual General Meeting to answer questions.

### **Internal control**

The Board recognises its responsibility for maintaining systems of internal control and reviewing their effectiveness. The Board maintains procedures for identifying significant risks faced by the Group.

The Board has reviewed the operation and effectiveness of the Group's system of internal financial control for the financial year up to the date of approval of the financial statements. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

## Report on corporate governance

The principal elements of the Group's systems of internal financial control include

- a management structure and written procedures that clearly define the levels of authority, responsibility and accountability,
- well established business planning, budgeting and monthly reporting functions with timely reviews at the appropriate levels of the organisation,
- a comprehensive system for investment appraisal and review, and
- an Audit Committee that regularly reviews the relationship with and matters arising from the external auditors including the level of non-audit work that is performed by them

### Nomination Committee

The Nomination Committee is chaired by Richard Clothier and includes Anthony Glossop and Adam Formela. This committee meets at least once per year and reviews the Board's structure, size and composition. It is also responsible for succession planning for directors and other senior executives.

### Audit Committee

The Audit Committee is chaired by Richard Clothier and includes Anthony Glossop and Adam Formela. This committee meets at least twice per year and reviews the interim and preliminary announcement of final results and the annual financial statements prior to their publication. It is also responsible for the appointment or dismissal of the external auditors and for agreeing their fees. It keeps under review the scope and methodology of the audit and its cost effectiveness together with the independence and objectivity of the auditors. It meets with the auditors at least twice per year to agree the audit plan and review the results of the audit.

### Remuneration Committee

The Remuneration Committee is chaired by Anthony Glossop and includes Richard Clothier and Adam Formela. On behalf of the Board the Committee reviews and approves the remuneration and service contracts (including benefits) of the executive directors and other senior staff. The Committee aims to provide executive remuneration packages designed to attract, motivate and retain directors of the calibre necessary to achieve the Board's strategic and operational objectives and to reward them for enhancing shareholder value. The remuneration packages for the executive directors and other senior staff include a basic salary and benefits, an annual performance related pay scheme and a long term incentive plan in the form of a share option scheme.

## Report on corporate social responsibility

Our primary objective is to deliver a sustainable profitable business which delivers consistently good value to our shareholders. In doing so, the Board takes account of its employees, customers and the environment in which the Group operates.

### People

*Health & Safety* – Our primary aim is to provide a safe and healthy environment for our employees. At each of our sites we have health & safety procedures in place which are regularly reviewed and updated to provide such information, training and supervision as required.

*Communication* – 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, 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.

*Non-discrimination* – Our policy is to have no discrimination on grounds of age, race, colour, sex, religion, sexuality or disability.

*Integrity and business ethics* – We aim to achieve the highest standards of business integrity and ethics. We will not tolerate any forms of harassment at any level within our organisation or when dealing with people from outside.

*Training & Education* – We recognise the importance of training and education for our people. We are fortunate to have an external trust fund that supports the Group to help achieve this objective. Our main businesses were early adopters of the ISO 9001 Quality Standard and Investors in People and we remain committed to helping our people achieve their maximum potential.

*Welfare* – We take the welfare of our employees both past and present extremely seriously, recognising that an involved caring community is a more satisfying place to work. A Group pension scheme is in place and we encourage employees to save for their retirement. We produce a Group magazine that is published every 6 months and distributed to all employees, pensioners and shareholders. We have a Group welfare officer, who inter alia looks after:

- foundation club (for retired employees – meets weekly in the works canteen and arranges various trips and away days)
- visitors panel (a group of volunteers that visit our past employees who may need help, particularly the elderly and infirm)
- annual pensioners' Christmas Party (attended by around 300 pensioners and long service employees)

### Products

We aim to produce our products in a responsible manner, ensuring they meet our customers' requirements with minimum adverse impact on the environment. We work with our customers and suppliers to ensure that recycled materials can be used where possible and that the product specification is optimised to reduce the weight or other factors that affect its impact on the environment. An example of the progress we have made in recent years is the gravy granule can that 20 years ago was produced using virgin fibres, a foil lining, a metal base and neck ring with lever lid – sometimes printed with UV varnish inks. Today we make these cans entirely with paperboard, a kraft lining and – the only part to be separately disposed of – a recyclable plastic lid.

### Places

We want our manufacturing processes to have as minimal impact on the environment as possible. Our main site at Chesterfield, the modern Paperboard manufacturing facility, has received the ISO 14001 environmental standard. You will see from the Directors' report that we measure a number of indicators including energy, CO<sub>2</sub> and waste to ensure that we make continuous improvements in this area. We aim to recycle as much of our waste as possible. We are working to increase the environmental awareness of our staff in order that both the Company and the local community can benefit.

## Directors' report

The directors present their report and the audited financial statements of the Group for the year ended 31 December 2010. These financial statements and the financial statements of the Company have been prepared under International Financial Reporting Standards as adopted by the European Union.

### Principal activity

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

### Review of business

Group revenue increased by 13% to £24.8m, of which almost half was the result of volume increases. The gross margin improved from 19% to 20% of revenue and this, together with only a small increase in fixed costs, resulted in a PBT improvement from £1.0m to £1.7m. The results of Robinson Paperboard Packaging (North America), which ceased operations on 20 December 2010, are excluded from these numbers and shown as a net loss on a separate line of the Group income statement.

Key financial indicators, including the management of profitability and working capital, monitored on an on-going basis by management, are set out below.

Indicator	2010	2009	2008 Measure
Revenue (£'000)	24,830	21,948	22,946
Profitability ratios			
Gross margin	20%	19%	13% Gross profit as a percentage of revenue
Trading margin	5%	3%	2% Operating profit before exceptional items
Working capital levels	15%	9%	8% Inventory, trade receivables less trade payables as a percentage of revenue

The major factors creating the increase in working capital over the last year include an increased use of early payment discounts with some major suppliers, the timing of the year end and increase in final quarter sales.

The Group is committed to minimising its adverse impact on the environment. The following are amongst the indicators used by the Group to effectively measure its progress in achieving this objective.

Indicator	2010 units per £000 revenue	2009 units per £000 revenue	2008 units per £000 revenue
Electricity consumed ('000 kwh)	13,073	0.527	12,325 0.562
Transport costs (£'000s)	1,004	0.040	777 0.035
Average CO2 emissions of company cars	156		160
Company car mileage ('000 miles)	135		131
Waste to recycling (tonnes)	557	0.022	552 0.025
Waste to landfill (tonnes)	425	0.017	344 0.016
Water usage (cubic metres)	8,095	0.326	6,662 0.304

The adverse trends in respect of transport costs and water usage arise from specific circumstances relating to individual customers, fuel charges and the weather but the underlying trends are therefore favourable.

The Group's primary commitment is to provide a safe and healthy environment for our employees. The number of accidents was as follows:

	2010	2009	2008
Lost time accidents	1	7	3
Reportable accidents	1	4	4

### Risk and uncertainty

The directors have set in place a thorough risk management process that identifies the key risks faced by the Group and ensures that processes are adopted to monitor and mitigate such risks.

The principal risks affecting the business and the Group's responses to these risks are:

## Directors' report

- **Competition** The market in which the Group operates is highly competitive, with constant downward pressure on margins. The Group seeks to improve existing products and introduce new products, as well as providing excellent customer service.
- **Fluctuations in input prices.** Input prices such as polymer prices and electricity costs can fluctuate significantly. The Group seeks to structure contracts with customers in order to recover its costs and monitors the effect of such fluctuations closely.
- **Seasonality** The packaging business is seasonal and revenue and profits are weighted towards the second half of the year. The Group seeks appropriate new business to balance its revenue more smoothly and structures employee agreements accordingly.

### Dividends

The directors recommend a final dividend of 1.75p per share to be paid on 6 June 2011 to shareholders on the register on 20 May 2011.

### Directors and directors' interests

The directors of the Company during 2010 together with their interests were as follows:

	0.5p ordinary shares	
	31 December	1 January
Richard Clothier	15,000	15,000
Adam Formela	-	-
Anthony Glossop	135,162	135,162
Guy Robinson	699,500	699,500

Details of directors' interests in share options are shown on page 16. 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. In accordance with the Company's Articles of Association, Anthony Glossop retires by rotation and offers himself for re-election.

### Employees

The Group recognises the need to ensure effective communication 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 briefings. 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.

### 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.

### Payment policy and practice

It is the Group's policy to settle the terms of payment with suppliers when agreeing the rest of the transaction, to ensure that suppliers are aware of these terms and to abide by them. Trade payables at the year end amount to 52 days of average supplies for the year.

### Financial risk management objectives and policies

The Group's financial instruments comprise borrowings, cash balances, liquid resources, receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group does not use derivative instruments.

The principal risks the Group faces in its activities are:

- Credit risk from debts arising from its operations.
- Foreign currency risk, to which the Group is exposed through its investment in an unlisted company based overseas.

The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years. The Group seeks to manage credit risk by careful review of potential customers and strict control of credit. The Group does not hedge its exposure of foreign investments held in foreign currencies.

## Directors' report

The Group has little exposure to liquidity risk and short term flexibility may be achieved by the use of overdraft and loan facilities with a floating interest rate

Further details are given in note 21 to the financial statements

### Going concern

The Group meets its day to day working capital requirements through a loan and an overdraft facility. The overdraft facility is due for renewal in October 2011. The current economic environment creates uncertainty over demand for the Group's products and the availability of bank finance in the foreseeable future.

The Group's forecasts and projections for 2011, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility through to October 2011. The Group will renegotiate its facilities in due course for the period after this date. The directors are confident necessary facilities will be made available to the Group on acceptable terms, particularly in light of the significant amount of property held by the Group which is currently not used as security in any financing arrangements.

In the light of this information the financial statements continue to be prepared on the going concern basis.

### Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). 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 and profit and loss of the Company and Group for that period. The directors must still prepare and approve the parent Company's profit and loss account even though the exemption has been taken under section 408 of the Companies Act 2006 not to publish one. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements

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

In so far as each of the directors is aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



Guy Robinson  
Finance Director  
24 March 2011



## Independent Auditor's report to the members of Robinson plc

We have audited the financial statements of Robinson plc for the year ended 31 December 2010 which comprise the Group income statement, the Group statement of comprehensive income, the Group and Company statements of financial position, the Group and Company statements of changes in equity, the Group and Company statements of cash flow, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Company's affairs as at 31 December 2010 and of the Group's profit for the period then ended
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union,
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

*Grant Thornton UK LLP*

Paul Houghton  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Sheffield  
24 March 2011

## Group income statement

	Notes	2010 £'000	2009 £'000
<b>Revenue</b>	1	<b>24,830</b>	21,948
(excluding the discontinued operation in North America)			
<b>Cost of sales</b>		<b>(19,833)</b>	(17,770)
<b>Gross profit</b>		<b>4,997</b>	4,178
Operating costs before exceptional items	2	(3,692)	(3,608)
<b>Operating profit before exceptional items</b>		<b>1,305</b>	570
Exceptional items	3	-	66
<b>Operating profit after exceptional items</b>		<b>1,305</b>	636
Finance costs - bank interest payable		(66)	(52)
Finance income in respect of pension fund	25	474	374
<b>Profit before taxation</b>	4	<b>1,713</b>	958
Taxation	6	(473)	(229)
<b>Profit for the year from continuing operations</b>		<b>1,240</b>	729
<b>Discontinued operations - loss for the year</b>	7	<b>(86)</b>	(305)
<b>Profit for the year</b>		<b>1,154</b>	424
<b>Earnings per share</b>			
Profit per ordinary share (basic and diluted) from continuing operations	9	7.8p	4 6p
Loss per ordinary share (basic and diluted) from discontinued operations	9	( 0.6p )	( 1 9p )
Profit per ordinary share (basic and diluted) from continuing and discontinued operations	9	7.2p	2 7p

## Group statement of comprehensive income

	Notes	2010 £'000	2009 £'000
<b>Profit for the year</b>		<b>1,154</b>	424
<b>Other comprehensive income</b>			
Actuarial gain on retirement benefit obligations	25	513	69
Release of currency translation reserve on closure of subsidiary		(311)	-
Currency translation loss		(56)	(182)
		146	(113)
Taxation relating to actuarial gain	14	(143)	(20)
<b>Other comprehensive income for the year</b>		<b>3</b>	(133)
<b>Total comprehensive income for the year attributable to the parent's shareholders</b>		<b>1,157</b>	291

Notes 1-26 form an integral part of the financial statements

## Statement of financial position

	Notes	Group		Company	
		2010 £'000	2009 £'000	2010 £'000	2009 £'000
<b>Non-current assets</b>					
Property, plant and equipment	10	12,394	13,237	4,178	756
Investments in subsidiaries	11	-	-	15,514	21,861
Deferred tax asset	14	288	344	-	-
Pension asset	25	7,696	6,996	7,696	6,996
		20,378	20,577	27,388	29,613
<b>Current assets</b>					
Inventories	12	1,982	1,535	-	-
Trade and other receivables	13	6,447	5,708	1,035	1,373
Cash		347	334	917	1,236
		8,776	7,577	1,952	2,609
<b>Non-current assets held for sale</b>	15	2,782	2,782	5,521	-
<b>Total assets</b>		31,936	30,936	34,861	32,222
<b>Current liabilities</b>					
Trade and other payables	16	(4,605)	(5,341)	(2,594)	(6,630)
Corporation tax payable		(542)	(218)	(360)	(12)
Borrowings	17	(2,872)	(1,897)	(413)	(408)
		(8,019)	(7,456)	(3,367)	(7,050)
<b>Non-current liabilities</b>					
Borrowings	17	(876)	(1,290)	(876)	(1,290)
Deferred tax liabilities	14	(1,701)	(1,578)	(1,672)	(1,511)
Amounts due to group undertakings		-	-	(4,176)	(4,175)
Provisions	18	(191)	(194)	(191)	(194)
		(2,768)	(3,062)	(6,915)	(7,170)
<b>Total liabilities</b>		(10,787)	(10,518)	(10,282)	(14,220)
<b>Net assets</b>		21,149	20,418	24,579	18,002
<b>Equity</b>					
Share capital	19	80	80	80	80
Share premium		419	419	419	419
Capital redemption reserve		216	216	216	216
Translation reserve		580	947	-	-
Revaluation reserve		4,420	4,461	573	576
Retained earnings		15,434	14,295	23,291	16,711
<b>Equity attributable to shareholders</b>		21,149	20,418	24,579	18,002

Notes 1 to 26 form an integral part of the financial statements. The financial statements on pages 10 to 31 were approved by the directors on 24 March 2011

Adam Formela

Guy Robinson

## Statement of changes in equity

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Translation reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
<b>Group</b>							
At 1 January 2009	80	419	216	1,129	4,361	14,273	20,478
Profit for the year						424	424
Other comprehensive income				(182)		49	(133)
Transfer to revaluation reserves as a result of property transactions					99	(99)	-
Total comprehensive income for the year	-	-	-	(182)	99	374	291
Tax on revaluation					1	-	1
Credit in respect of share based payments						32	32
Dividends paid						(384)	(384)
Transactions with owners						(352)	(352)
At 31 December 2009	80	419	216	947	4,461	14,295	20,418
Profit for the year						1,154	1,154
Other comprehensive income				(367)		370	3
Transfer from revaluation reserves as a result of property transactions					(41)	41	-
Total comprehensive income for the year	-	-	-	(367)	(41)	1,565	1,157
Credit in respect of share based payments						30	30
Dividends paid						(456)	(456)
Transactions with owners						(426)	(426)
At 31 December 2010	80	419	216	580	4,420	15,434	21,149
<b>Company</b>							
At 1 January 2009	80	419	216	-	502	16,620	17,837
Profit for the year						467	467
Other comprehensive income						49	49
Transfer to revaluation reserves as a result of property transactions					73	(73)	-
Total comprehensive income for the year	-	-	-	-	73	443	516
Tax on revaluation					1	-	1
Credit in respect of share based payments						32	32
Dividends paid						(384)	(384)
Transactions with owners						(352)	(352)
At 31 December 2009	80	419	216	-	576	16,711	18,002
Profit for the year						6,633	6,633
Other comprehensive income						370	370
Transfer from revaluation reserves as a result of property transactions					(3)	3	-
Total comprehensive income for the year	-	-	-	-	(3)	7,006	7,003
Credit in respect of share based payments						30	30
Dividends paid						(456)	(456)
Transactions with owners						(426)	(426)
At 31 December 2010	80	419	216	-	573	23,291	24,579

## Statement of cash flows

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>				
Profit for the year	1,154	424	6,633	467
<b>Adjustments for</b>				
Depreciation of property, plant and equipment	1,379	1,477	78	45
Profit on disposal of land and buildings	-	(44)	-	(44)
Profit on disposal of non-current assets held for sale	-	(176)	-	(178)
Loss/(profit) on disposal of other plant and equipment	1	-	(3)	-
Profit on closure of discontinued operations	(165)	-	-	-
Decrease in provisions	(3)	(5)	(2)	(5)
Other finance income in respect of Pension Fund	(474)	(374)	(474)	(374)
Finance costs	66	92	-	-
Finance income	-	-	(119)	(119)
Taxation charged	474	230	121	16
Other non-cash items				
Pension current service cost	285	255	285	255
Charge for share options	30	32	30	32
Operating cash flows before movements in working capital	2,747	1,911	6,549	95
(Increase)/decrease in inventories	(497)	205	-	-
(Increase)/decrease in trade and other receivables	(1,222)	1,323	340	982
(Decrease)/increase in trade and other payables	(348)	(1,476)	62	338
Cash generated by operations	680	1,963	6,951	1,415
UK corporation tax (paid)/received	(114)	(143)	245	(57)
Interest paid	(67)	(158)	-	-
Interest received	-	-	52	53
<b>Net cash generated from operating activities</b>	<b>499</b>	<b>1,662</b>	<b>7,248</b>	<b>1,411</b>
<b>Cash flows from investing activities</b>				
Sale of surplus properties	-	67	-	64
Closure of discontinued operations	(66)	-	-	-
Sale of non-current assets	-	348	-	350
Acquisition of non-current assets	-	-	(5,521)	-
Acquisition of property, plant & equipment	(542)	(841)	(3,514)	(3)
Sale of other plant and equipment	17	14	17	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(591)</b>	<b>(412)</b>	<b>(9,018)</b>	<b>411</b>
<b>Cash flows from financing activities</b>				
Loans received	-	415	-	415
Loans repaid	(409)	(336)	(409)	(336)
Loans repaid by subsidiaries	-	-	6,347	-
Loans repaid to subsidiaries	-	-	(4,031)	-
Dividends paid	(456)	(384)	(456)	(384)
<b>Net cash (used in)/generated from financing activities</b>	<b>(865)</b>	<b>(305)</b>	<b>1,451</b>	<b>(305)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(957)</b>	<b>945</b>	<b>(319)</b>	<b>1,517</b>
Cash and cash equivalents at 1 January	(1,155)	(2,100)	1,236	(281)
<b>Cash and cash equivalents at 31 December</b>	<b>(2,112)</b>	<b>(1,155)</b>	<b>917</b>	<b>1,236</b>
Cash	347	334	917	1,236
Overdraft	(2,459)	(1,489)	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>(2,112)</b>	<b>(1,155)</b>	<b>917</b>	<b>1,236</b>

Notes 1 - 26 form an integral part of the financial statements

## Notes to the financial statements

### 1 Segmental information

The directors consider the one operating segment of the Group to be solely plastic and paperboard packaging. Accordingly the disclosures in respect of this segment are those of the Group as a whole. The Group's internal reports about components of the Group which are those reported to the Board of Directors are based on geographical segments.

Results were derived from and assets and liabilities held in the following locations:

	2010 £'000	2009 £'000	2010 £'000	2009 £'000
	<b>Revenue</b>		<b>Operating profit before exceptional items</b>	
United Kingdom	20,261	17,996	736	118
E U	4,569	3,952	569	452
	<b>24,830</b>	<b>21,948</b>	<b>1,305</b>	<b>570</b>
North America - discontinued operations	1,605	1,477		
<b>Total revenue</b>	<b>26,435</b>	<b>23,425</b>		
	<b>Assets</b>		<b>Liabilities</b>	
United Kingdom	26,927	25,360	(7,692)	(4,132)
E U	5,009	5,020	(3,095)	(3,549)
North America - discontinued operations	-	556	-	(2,837)
	<b>31,936</b>	<b>30,936</b>	<b>(10,787)</b>	<b>(10,518)</b>
	<b>Capital expenditure</b>		<b>Depreciation</b>	
United Kingdom	463	788	1,016	1,107
E U	79	53	223	230
North America - discontinued operations	-	-	140	140
	<b>542</b>	<b>841</b>	<b>1,379</b>	<b>1,477</b>

All exceptional items relate to the United Kingdom. Non-current assets are located in the United Kingdom. Included in revenues arising from the United Kingdom and the E U are revenues to the Group's largest customer amounting to £4,968,000 (2009: £4,320,000).

### 2 Operating costs before exceptional items

	2010 £'000	2009 £'000
Selling, marketing and distribution costs	740	591
Administrative expenses	2,977	2,783
(Gain)/loss on foreign exchange	(25)	234
	<b>3,692</b>	<b>3,608</b>

### 3 Exceptional items

	2010 £'000	2009 £'000
Profit on disposal of non-current assets held for sale	-	176
Profit on disposal of land & buildings	-	44
Redundancy	-	(154)
	<b>-</b>	<b>66</b>

## Notes to the financial statements

### 4 Profit before taxation

The profit before taxation has been stated after charging

	2010 £'000	2009 £'000
Depreciation	1,379	1,477
Fees to group auditors		
audit of group accounts	22	22
other services (including audit of subsidiaries)	6	8
Fees to other auditors (associates of Grant Thornton UK LLP)		
audit of subsidiaries	8	6
	36	36
Audit fees in respect of the Robinson pension scheme charged to the scheme	2	2

As permitted by section 408 of the Companies Act 2006, the parent Company's income statement has not been included in these financial statements and its profit for the financial year after dividends received amounted to £6,633,000 (2009 £467,000)

### 5 Employee information

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

	Group	
	2010 Number	2009 Number
Plastic and paperboard packaging	302	349
Staff costs (for the above)	£'000	£'000
Wages and salaries	6,434	6,575
Social security costs	569	606
Pension costs	455	426
Share based charges	30	32
	7,488	7,639

The key management of the Group is considered to be the directors of the parent Company. A summary of the directors' remuneration for the year is set out below

	Salary & benefits-in-kind	Bonus	Share based charges	Company pension contributions	Total
	£'000	£'000	£'000	£'000	£'000
2010					
R Clothier	44	-	-	-	44
A Glossop	17	-	-	-	17
A Formela	166	123	20	25	334
G Robinson	112	93	10	-	215
	339	216	30	25	610
Total including employers' national insurance					645
2009					
R Clothier	44	-	-	-	44
A Glossop	17	-	-	-	17
A Formela	180	21	32	25	258
G Robinson	122	11	-	-	133
	363	32	32	25	452
Total including employers' national insurance					489

Retirements benefits are available to G Robinson under a defined benefit pension scheme, in respect of which the employer is taking a contribution holiday. Bonus payments have been paid into family benefit trusts which are effectively retirement funds for the beneficiaries and their families.

## Notes to the financial statements

### 5 Employee information (continued)

Details of share options on 0.5p ordinary shares to the directors are as follows

	Outstanding 1 January and 31 December 2009	Lapsed during 2010	Granted 22 April 2010	Outstanding 31 December 2010
Adam Formela	550,000	550,000	450,000	450,000
Guy Robinson	471,884	471,884	250,000	250,000
	<b>1,021,884</b>	<b>1,021,884</b>	<b>700,000</b>	<b>700,000</b>
Exercise price (weighted average)	92p			43p
Contractual life outstanding (weighted average)	7 years			7 years

Generally, the share options may be exercised in whole or in part at any time between the third and tenth anniversary of their being granted subject to the achievement of certain performance criteria. No options were exercisable at the end of the period. The fair values of the shares granted during the year were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

Share price	43p	Expected life	3 years	Expected dividend yield	3%
Exercise price	43p	Risk free rate	10%		
Expected volatility, determined by reference to the Company's historical share price					34%

The market value of the shares at 31 December 2010 was 50p

### 6 Taxation

Current corporation tax is calculated at 28% of the estimated assessable profit for the year. In addition to the above, deferred tax of £143,000 has been charged directly to equity in the year (see note 14).

	2010 £'000	2009 £'000
Current tax	437	220
Deferred tax	36	9
	<b>473</b>	<b>229</b>

The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2010 £'000	2009 £'000
Profit before taxation	1,713	958
At the effective rate of tax of 28% (2009: 28%)	480	183
Prior year adjustments	28	-
Non-taxable items	(65)	(85)
Items disallowable for tax	77	150
Differences in respect of property	(42)	(49)
Depreciation on assets ineligible for capital allowances	49	50
Overseas tax	1	(29)
Losses carried forward	-	85
Book value of property disposals in excess of capital gains	-	(61)
Rate difference on overseas tax	(47)	-
Other differences	(8)	(15)
Tax charge for the year	<b>473</b>	<b>229</b>

There are capital losses carried forward of £1,266,000 (2009: £1,371,000). With this exception, the directors are not aware of any material factors affecting the future tax charge.



## Notes to the financial statements

### 7 Closure of subsidiary

On 20 December 2010 Robinson Paperboard Packaging (North America) Ltd was closed. The results of the discontinued operation, which have been included in the Group income statement, were as follows

	2010 £'000	2009 £'000
Revenue	1,605	1,477
Expenses	(1,855)	(1,781)
Loss before tax	(250)	(304)
Attributable tax expense	(1)	(1)
	(251)	(305)
Gain on closure of discontinued operations	165	-
Net loss attributable to discontinued operations	(86)	(305)

The net assets of Robinson Paperboard Packaging (North America) Ltd at the date of closure were

	2010 £'000
Property, plant & equipment	168
Inventories	50
Trade receivables	481
Bank balances & cash	52
Trade payables	(230)
Other payables	(157)
	364
Less group provision against plant and equipment	(232)
	132

The gain on closure was derived as follows

Gain on translation reclassified	311
Loss on net assets	(132)
Closure costs	(14)
Gain on closure	165

There is expected to be no tax expense in relation to the gain on closure of discontinued operations

The following cash flows in respect of the discontinued operations are included in the consolidated cash flow statement under their respective headings

	2010 £'000	2009 £'000
Net cash flow from operating activities	52	(36)
Net cash flow from investing activities	(66)	4
Net decrease in cash and cash equivalents	(14)	(32)

### 8 Dividends

	2010 £'000	2009 £'000
Ordinary dividend paid final of 1 75p per share (2009 1 75p per share)	246	244
interim of 1 5p (2009 1p) per share	210	140
	456	384

A final dividend of 1 75p per ordinary share, amounting to £246,000, will be proposed at the Annual General Meeting and has not been included as a liability in these financial statements

## Notes to the financial statements

### 9 Earnings per share

The calculation of basic and diluted earnings per ordinary share for continuing operations shown on the income statement is based on the profit after taxation (£1,240,000, 2009 £729,000) divided by the weighted average number of shares in issue (15,943,501, 2009 15,943,501). The share options are not dilutive as the average market price is not significantly higher than the exercise price. The calculation in respect of discontinued operations is based on the loss of £86,000 (2009 £305,000). The calculation in respect of continuing and discontinued operations is based on the profit of the year of £1,154,000 (2009 £429,000).

### 10 Property, plant and equipment

Group	Land and buildings £'000	Plant and machinery £'000	Total £'000
<b>Cost or deemed cost</b>			
At 1 January 2009	10,972	26,073	37,045
Additions at cost	-	841	841
Disposals	(23)	(89)	(112)
Exchange movement	(197)	91	(106)
At 31 December 2009	10,752	26,916	37,668
Additions at cost	46	496	542
Disposals	-	(2,394)	(2,394)
Exchange movement	(44)	(18)	(62)
At 31 December 2010	10,754	25,000	35,754
<b>Depreciation</b>			
At 1 January 2009	1,077	21,858	22,935
Charge for year	99	1,378	1,477
Disposals	-	(75)	(75)
Exchange movement	(10)	104	94
At 31 December 2009	1,166	23,265	24,431
Transfers	137	(137)	-
Charge for year	237	1,142	1,379
Reversal of impairment arising from closure	-	(232)	(232)
Disposals	-	(2,208)	(2,208)
Exchange movement	(3)	(7)	(10)
At 31 December 2010	1,537	21,823	23,360
<b>Net book value</b>			
At 31 December 2010	9,217	3,177	12,394
At 31 December 2009	9,586	3,651	13,237

The net assets of the Group remain in excess of its current stock market capitalisation, indicating that an impairment loss may have occurred. However, the true value of the Company is not reflected in its market capitalisation because of the Company's position in the stock market. An impairment review has been carried out which shows that its discounted expected future cash flow and a realistic valuation of its net current assets, together with its net pension surplus, which is included in the net assets purely to comply with accounting rules, is in excess of its net assets.

## Notes to the financial statements

### 10 Property, plant and equipment (continued)

Company	Land and buildings £'000	Plant and machinery £'000	Total £'000
<b>Cost or deemed cost</b>			
At 1 January 2009	802	434	1,236
Additions at cost	-	3	3
Disposals	(20)	(35)	(55)
At 31 December 2009	782	402	1,184
Additions at cost	3,485	29	3,514
Disposals	-	(42)	(42)
At 31 December 2010	4,267	389	4,656
<b>Depreciation</b>			
At 1 January 2009	59	359	418
Charge for year	7	38	45
Disposals	-	(35)	(35)
At 31 December 2009	66	362	428
Charge for year	61	17	78
Disposals	-	(28)	(28)
At 31 December 2010	127	351	478
<b>Net book value</b>			
At 31 December 2010	4,140	38	4,178
At 31 December 2009	716	40	756

At 31 December 2010, had the land and buildings been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £7,393,000 (2009 £7,657,000), Company £1,113,000 (2009 £92,000)

### 11 Investments in subsidiaries

Company	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
<b>Cost</b>			
At 1 January 2009	1,001	24,792	25,793
Disposals	-	(210)	(210)
At 31 December 2009	1,001	24,582	25,583
Disposals	(1,000)	(7,098)	(8,098)
At 31 December 2010	1	17,484	17,485
<b>Amounts written off</b>			
At 1 January 2009	231	3,729	3,960
Released	(9)	(229)	(238)
At 31 December 2009	222	3,500	3,722
Released	(222)	(1,529)	(1,751)
At 31 December 2010	-	1,971	1,971
<b>Net book value</b>			
At 31 December 2010	1	15,513	15,514
At 31 December 2009	779	21,082	21,861

## Notes to the financial statements

### 11 Investments in subsidiaries (continued)

The loans are classed as equity investments and repayment is neither planned nor likely in the foreseeable future. Provision has been made against amounts due from subsidiaries where there is a shortfall of net assets to satisfy the debtor. Loans to Robinson Paperboard Packaging (North America) Ltd have been treated as disposed of during the year and the corresponding provisions have been released (see note 7). Certain UK subsidiaries have reduced their share capital in the year and the investment held treated as disposed, with corresponding provisions released.

#### Interests in Group undertakings

The Company has the following interest in non-dormant subsidiaries

Name of undertaking	Shares held	Activities
Portland Works Limited	100 ordinary shares of £1	Property company
Robinson (Overseas) Limited	2 ordinary shares of £1	Holding Company
Robinson Paperboard Packaging Limited	100 ordinary shares of £1	Marketing and Manufacture of Paperboard Packaging
Robinson Plastic Packaging Limited	100 ordinary shares of £1	Marketing and Manufacture of Plastic Packaging
Robinson Plastic Packaging (Stanton Hill) Limited	1 ordinary share of £1	Marketing and Manufacture of Plastic Packaging
Robinson Packaging Polska Sp z o o	5,000,000 shares of PLN1	Manufacture of Plastic Packaging
Walton Mill (Chesterfield) Limited	1 ordinary share of £1	Property Company

The country of incorporation of each of the above companies is England, except for Robinson Packaging Polska Sp z o o, which is incorporated in Poland. The percentage shareholding for all subsidiaries is 100% and all except Robinson Packaging Polska Sp z o o are held directly.

### 12 Inventories

	Group	
	2010	2009
	£'000	£'000
Raw materials	1,300	997
Work in progress	23	21
Finished goods and goods for resale	659	517
	<b>1,982</b>	<b>1,535</b>

The carrying value of inventories represents fair value less costs to sell.

In 2010, a total of £18,055,000 (2009: £15,988,000) cost of inventories was included in the income statement as an expense. This includes an amount of £515,000 resulting from the write-down of inventories (2009: £314,000) and £188,000 (2009: £39,000) resulting from the reversal of previous write-downs.

### 13 Trade and other receivables

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade receivables	5,776	5,013	233	149
Receivables from related parties	-	-	655	1,191
Other receivables	454	572	88	20
Prepayments and accrued income	217	123	59	13
	<b>6,447</b>	<b>5,708</b>	<b>1,035</b>	<b>1,373</b>

The carrying value of Group trade receivables is considered a reasonable approximation of fair value. All trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a doubtful debt provision of £151,000 (2009: £131,000) has been recorded accordingly.

Receivables from one customer amounted to £1,048,000 at 31 December 2010 (2009: £882,000).

## Notes to the financial statements

### 13 Trade and other receivables (continued)

In addition some of the unimpaired Group trade receivables are past due as at the reporting date. The age of financial assets past due but not impaired is as follows:

	2010 £'000	2009 £'000
Not more than 3 months	759	657
More than 3 months but not more than 6 months	202	140
	<b>961</b>	<b>797</b>

Group trade receivables that are not past due are not considered to be impaired. Company trade receivables more than 6 months old but not more than one year old are not considered to be impaired and the remaining Company trade receivables are not past due.

The movement in the allowance for doubtful debts was as follows:

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
At 31 December 2009	131	89	-	22
Impairment losses recognised	151	119	-	25
Amounts written off during the year as uncollectable	(35)	(69)	-	(47)
Amounts recovered during the year	(97)	(5)	-	-
Foreign exchange translation gains and losses	1	(3)	-	-
<b>At 31 December 2010</b>	<b>151</b>	<b>131</b>	<b>-</b>	<b>-</b>

### 14 Deferred taxation

The deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period are as follows:

	Accelerated tax depreciation £'000	Short term temporary differences £'000	Tax losses £'000	Fair value gains £'000	Pension obligations £'000	Total £'000
<b>Group</b>						
At 1 January 2009	(287)	(465)	(17)	69	1,906	1,206
Charge to income	3	(44)	17	-	33	9
Charged through other comprehensive income	-	-	-	(1)	20	19
At 31 December 2009	(284)	(509)	-	68	1,959	1,234
Charge to income	29	(46)	-	-	53	36
Charged through other comprehensive income	-	-	-	-	143	143
<b>At 31 December 2010</b>	<b>(255)</b>	<b>(555)</b>	<b>-</b>	<b>68</b>	<b>2,155</b>	<b>1,413</b>
<b>Company</b>						
At 1 January 2009	(2)	(452)	-	48	1,906	1,500
Charge to income	(4)	(37)	-	-	33	(8)
Charged through other comprehensive income	-	-	-	(1)	20	19
At 31 December 2009	(6)	(489)	-	47	1,959	1,511
Charge to income	(2)	(33)	-	-	53	18
Charged through other comprehensive income	-	-	-	-	143	143
<b>At 31 December 2010</b>	<b>(8)</b>	<b>(522)</b>	<b>-</b>	<b>47</b>	<b>2,155</b>	<b>1,672</b>

## Notes to the financial statements

### 14 Deferred tax (continued)

Deferred tax has been provided at 27%. Certain deferred tax liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes.

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Deferred tax liability	1,701	1,578	1,672	1,511
Deferred tax asset	(288)	(344)	-	-
	<b>1,413</b>	<b>1,234</b>	<b>1,672</b>	<b>1,511</b>

The directors consider that the Group will generate sufficient taxable profits in future years with which to recover the deferred tax asset.

### 15 Non-current assets held for sale

	Group	Company
	£'000	£'000
Property held for sale at 1 January 2009 and 1 January 2010	2,782	-
Transfer of properties between group companies	-	5,521
Property held for sale at 31 December 2010	<b>2,782</b>	<b>5,521</b>

The remaining properties held for sale will be held for longer than originally envisaged but will be sold when market conditions allow. All assets are located in the UK. The properties held in the Company were acquired from other group companies at values exceeding those at which they are held by the Group.

### 16 Trade and other payables

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade payables	2,792	3,288	111	90
Amounts due to related parties	-	-	1,752	5,783
Social security and other taxes	611	602	133	190
Other creditors	593	524	370	269
Accruals and deferred income	609	927	228	298
	<b>4,605</b>	<b>5,341</b>	<b>2,594</b>	<b>6,630</b>

The carrying amount of trade and other payables approximates to their fair value.

### 17 Borrowings

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Bank overdraft	2,459	1,489	-	-
Bank loan	1,289	1,698	1,289	1,698
	<b>3,748</b>	<b>3,187</b>	<b>1,289</b>	<b>1,698</b>
Amount due for settlement within 12 months	2,872	1,897	413	408
Amount due for settlement after 12 months	876	1,290	876	1,290

The bank overdraft is repayable on demand and bears interest at a rate that varies with Lloyds sterling base rate. It is secured on a first charge over certain of the Group's properties.

The principal bank loan of £977,000 (2009: £1,312,000) was taken out in October 2008. Repayments commenced on 28 November 2008 and will continue until October 2013. The loan carries interest at a rate that varies with Lloyds sterling base rate. It is secured by a charge over certain of the Group's plant and equipment. A further hire purchase agreement had a capital value of £312,000 (2009: £380,000) at the year end.

## Notes to the financial statements

### 17 Borrowings (continued)

#### Going concern

The Group meets its day to day working capital requirements through a loan and an overdraft facility. The overdraft facility is due for renewal in October 2011. The current economic environment creates uncertainty over demand for the Group's products and the availability of bank finance in the foreseeable future.

The Group's forecasts and projections for 2011, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility through to October 2011. The Group will renegotiate its facilities in due course for the period after this date. The directors are confident necessary facilities will be made available to the Group on acceptable terms, particularly in light of the significant amount of property held by the Group which is currently not used as security in any financing arrangements.

In the light of this information the financial statements continue to be prepared on the going concern basis.

### 18 Provisions for liabilities

Group and Company	Post-retirement benefits £'000
At 1 January 2010	199
Utilised in year	(5)
At 1 January 2010	194
Utilised in year	(3)
At 31 December 2010	191

The Group provides medical insurance to certain retired employees and 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 medical cost inflation rate of 5% per annum.

### 19 Share capital

	2010 £'000	2009 £'000
<b>Authorised:</b>		
70,000,000 ordinary shares of 0.5p each	350	350
<b>Allotted, called up and fully paid:</b>		
17,687,223 ordinary shares of 0.5p each	88	88
Held in Treasury 1,743,722 (2009: 1,743,722) shares of 0.5p each	(8)	(8)
	80	80

The shares held in Treasury arose from the buy-back of shares in 2004 and have not been cancelled as they can be used to satisfy share options or other future issues of shares.

### 20 Retained earnings

An amount of £326,000 included in the retained earnings of the Company relates to the revaluation of property held in its subsidiaries and is not distributable.

### 21 Risk management objectives and policies

The Group and the Company are exposed to market risk through their use of financial instruments and specifically to credit risk and foreign currency risks, which result from the Group's operating activities and the Company's investing activities. The Group's risk is managed in close co-operation with the board of directors and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

Robinson does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below. See also below for a summary of the Group's financial assets and liabilities by category.

## Notes to the financial statements

### 21 Risk management objectives and policies (continued)

#### Foreign currency sensitivity

Most of the Group's transactions are carried out in sterling. Exposures to currency rates arise from the Group's overseas sales and purchases, which, where they are not denominated in sterling, are primarily denominated in Euros. Total debts denominated in euros amounted to €866,000 at 31 December 2010.

The following table details the Group's sensitivity to a 10 per cent increase and decrease in sterling against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the period end. A positive number below indicates an increase in profit and other equity where sterling weakens 10 per cent against the euro.

	2010 £'000	2009 £'000
Profit or loss for the year	106	94
Equity	106	94

Further details on currency risk management are given in the Directors' Report.

#### Interest rate sensitivity

If interest rates had been 1 per cent higher, the Group's profit for the year ended 31 December 2010 would decrease by £38,000 (2009: £44,000) due to its exposure to interest rates on its variable rate borrowings. The impact of a 1% change on cash balances would be insignificant.

#### Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 December 2010 as detailed in note 13. The Group continuously monitors defaults of customers and incorporates this information into its credit risk controls. External credit ratings and reports on customers are obtained and used. The Group's policy is to deal only with creditworthy customers. The Group's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The bank overdraft is secured on the debts and certain properties of Group. The bank loan is secured by a charge over certain of the Group's plant and equipment. No other financial assets are secured by collateral or other credit enhancements.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any counterparty or group of counterparties having similar characteristics. The credit risk for liquid funds is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

#### Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. The Group's liabilities have contractual maturities that are summarised below.

	Group		Company	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
<b>Current within 12 months</b>				
Trade payables	2,792	3,288	111	90
Other financial liabilities	1,202	1,451	2,350	6,350
Borrowings	437	447	437	447
	4,431	5,186	2,898	6,887
<b>Non-current later than 12 months</b>				
Other financial liabilities	-	-	4,176	4,175
Borrowings	893	1,331	893	1,331
	893	1,331	5,069	5,506



## Notes to the financial statements

### 21 Risk management objectives and policies (continued)

#### Summary of financial assets and liabilities by category

The carrying amounts of financial assets and liabilities as recognised at 31 December of the reporting periods under review may also be categorised as follows

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
<b>Financial assets</b>				
Loans and receivables				
Trade and other receivables	6,230	5,585	976	1,360
Cash	347	334	917	1,236
	<b>6,577</b>	<b>5,919</b>	<b>1,893</b>	<b>2,596</b>
<b>Financial liabilities measured at amortised cost:</b>				
Non-current				
Borrowings	(876)	1,331	(876)	1,331
Amounts due to group undertakings	-	-	(4,176)	(4,175)
Current				
Borrowings	(2,872)	(1,897)	(413)	(408)
Trade and other payables	(3,994)	(4,739)	(2,461)	(6,440)
	<b>(7,742)</b>	<b>(5,305)</b>	<b>(7,926)</b>	<b>(9,692)</b>
<b>Net financial assets and liabilities</b>	<b>(1,165)</b>	<b>614</b>	<b>(6,033)</b>	<b>(7,096)</b>
<b>Non-financial assets and liabilities</b>	<b>22,314</b>	<b>19,804</b>	<b>30,612</b>	<b>25,098</b>
<b>Total equity</b>	<b>21,149</b>	<b>20,418</b>	<b>24,579</b>	<b>18,002</b>

#### Capital management policies and procedures

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern and
  - to provide an adequate return to shareholders
- by pricing products commensurately with the level of risk

The Group monitors capital on the basis of carrying amount of equity, less cash and cash equivalents as presented on the face of the statement of financial position. Robinson manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain its capital structure the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

### 22 Capital commitments

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Contracted but not provided in these financial statements	-	41	-	-

### 23 Contingent liabilities

There were contingent liabilities at 31 December 2010 in relation to cross guarantees of bank overdrafts given by the Company on behalf of other Group undertakings. The amount guaranteed at 31 December 2010 was £4,125,000 (2009 £3,065,000). The directors have considered the fair value of the cross guarantee and do not consider this to be significant.

## Notes to the financial statements

### 24 Related parties

Transactions took place between the Company and its subsidiaries during the year as follows

	2010 £'000	2009 £'000
Charges by the Company to its subsidiaries		
Rent	579	549
Management charges	165	455
Interest	255	223
Other charges (including costs incurred by the Company on behalf of its subsidiaries and subsequently recharged to them)	6,136	2,880
	<b>7,135</b>	<b>4,107</b>
Charges by the subsidiaries to the Company (mainly costs incurred by them on behalf of the Company and recharged to it)	91	361
Net balances due from subsidiaries outstanding at the year end	<b>10,240</b>	<b>13,573</b>

During 2010, properties were transferred to the Company from subsidiaries at a total value of £9,006,000 and dividends of a total value of £6,665,000 were paid by subsidiaries to the Company. During the year a director purchased a motor vehicle from the Company at its market value of £17,000.

### 25 Pension asset Group and Company

The Group operates one principal pension scheme, the Robinson & Sons Limited Pension Fund, of which approximately 42% 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.

The fund was valued at 31 December 2010 for the purpose of these financial statements by Mr Andrew Allsopp FIA of Quattro Pensions and the key assumptions used were:

	2010	2009
Discount rate for liabilities	5.40%	5.40%
Expected rates of return		
Equities	7.40%	7.40%
Property	6.40%	6.40%
Gilts & bonds	5.40%	5.40%
Cash	5.40%	5.40%
Price inflation	3.30%	3.50%
Salary inflation	3.60%	3.80%

The most significant of these assumptions is the discount rate. If this were reduced by 0.1% per annum, the liabilities would increase by approximately £600,000. Inflation assumptions in both years are dependent on gilt yields.

The mortality assumptions used are based on the PMNA00 and PFNA00 tables with allowance for future improvements in mortality in line with medium cohort factors subject to a 1% floor. An age rating of between 1 and 3 years has been made for different members, in line with the advice from the Actuary. Using an age rating of 2 years the average life expectancy in years of a pensioner retiring at age 60 is as follows:

	2010		2009	
	Male	Female	Male	Female
Age 60 now	25.3	27.8	25.3	27.8
Age 60 in 20 years	27.4	29.9	27.4	29.9

The expected rates of return to apply from the valuation date forward are set to be net of investment management fees and scheme expenses. The return on bonds is set to be equal to the discount rate less a 0.25% deduction to allow for expenses and investment management costs. The rates of return on other assets are set relative to the rate on bonds. The overall weighted average expected return is 5.45%.

## Notes to the financial statements

### 25 Pension asset (continued)

The market value of the assets less the present value of scheme liabilities, calculated on the basis of these assumptions, is the surplus in the scheme. The recoverable surplus reflects the potential saving in employers' contributions and in expenses over the remainder of the working life of the defined benefit section's active members and the potential saving in employers' contributions to the defined contribution section in perpetuity. The irrecoverable surplus is the difference between the two and may vary significantly from year to year.

Following the actuarial valuation carried out in April 2002 it was clear that there was no need for the employer to pay contributions into the fund for existing scheme members. The Company has nonetheless agreed to pay employer contributions set aside in the Company's financial statements since the actuarial valuation in April 2002, together with money purchase contributions since April 2005, into an escrow account. The outcome of the next actuarial valuation in April 2011 will determine whether the contributions will be paid over to the Fund, returned to the Company or whether some other arrangements will be made. The total set aside in the escrow account at 31 December 2010 amounted to £1,788,000 (2009: £1,644,000).

As at 31 December 2010, the estimated financial position was as follows:

	2010 £'000	2009 £'000
Equities	-	10,017
Gilts & bonds	48,538	39,781
Property	2,591	136
Cash	1,497	276
Total market value of assets	52,626	50,210
Present value of scheme liabilities	(42,714)	(44,858)
Surplus in the scheme	9,912	5,352
Irrecoverable surplus	(4,004)	-
Escrow account	1,788	1,644
Pension asset	7,696	6,996

The following amounts were recognised in the income statement:

	2010 £'000	2009 £'000
Charged to operating profit		
Current service cost - final salary section	285	255
Current service cost - money purchase section	147	132
Total operating charge	432	387
Charged to		
Cost of sales	90	48
Operating costs	342	339
Total operating charge	432	387
Amount credited to other finance income		
Expected return on assets	2,835	2,624
Interest on scheme liabilities	(2,361)	(2,250)
Net return	474	374
The following amounts were recognised in other comprehensive income		
Movement in irrecoverable surplus before deduction of escrow account	(4,004)	3,954
Other actuarial gains/(losses)	4,517	(3,885)
Actuarial gain recognised in other comprehensive income before deferred taxation	513	69

## Notes to the financial statements

### 25 Pension asset (continued)

Movements in the defined benefit obligation were as follows

	2010 £'000	2009 £'000
At 1 January	44,858	36,667
Current service cost	285	255
Interest cost	2,361	2,250
Actuarial (gain)/loss	(2,214)	8,255
Benefits paid	(2,600)	(2,804)
Other	24	235
At 31 December	42,714	44,858

Movements in the fair value of plan assets during the year were as follows

	2010	2009
At 1 January	50,210	45,962
Expected return on scheme assets	2,835	2,624
Actuarial gain	2,303	4,573
Benefits paid	(2,600)	(2,804)
Other	(122)	(145)
At 31 December	52,626	50,210

The actual return on scheme assets over the year was £5,138,000

The five year history of experience adjustments is as follows

	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m
Fair value of scheme assets	52.6	50.2	46.0	53.2	53.1
Present value of defined benefit obligations	(42.7)	(44.8)	(36.7)	(41.9)	(42.1)
Irrecoverable surplus	(4.0)	-	(2.5)	(4.0)	(3.4)
Surplus in the scheme	5.9	5.4	6.8	7.3	7.6
Experience adjustments on scheme assets	2.3	4.6	(8.3)	(0.6)	2.2
Percentage of scheme assets	4%	9%	-18%	-1%	4%
Experience adjustments on scheme liabilities	1.0	(0.3)	(0.3)	(0.3)	-
Percentage of scheme liabilities	2%	-1%	-1%	-1%	0%

### 26 Accounting policies

The consolidated and Company financial statements have been prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union. All standards and interpretations that have been issued and are effective at 31 December 2010 have been applied in the financial statements. The financial statements have been prepared under the historical cost convention. No accounting standards coming into effect in 2010 have had any effect on the financial statements.

IAS 1 Presentation of Financial Statements (Revised 2007) requires presentation of a comparative balance sheet as at the beginning of the first comparative period, in some circumstances. Management considers that this is not necessary this year because the 2008 balance sheet is the same as that previously published.

#### Consolidation

The Group's financial statements consolidate the financial statements of Robinson plc and all its subsidiaries. Subsidiaries are consolidated from the date on which control transfers to the Group and are included until the date on which the Group ceases to control them. Transactions and year end balances between Group companies are eliminated on consolidation. All entities have coterminous year ends. The Group obtains and exercises control through voting rights. Investments in subsidiary undertakings are accounted for in accordance with IAS27.

## Notes to the financial statements

### 26 Accounting policies (continued)

#### Revenue

Revenue comprises the fair value of the consideration received or receivable for the external sale of products, exclusive of value added tax, other revenue related taxes and trade discounts and is recognised when goods have been supplied. Revenue is recognised when the significant risks and rewards of ownership have transferred, which occurs on delivery.

#### Foreign currencies

Assets and liabilities of overseas subsidiaries are translated into sterling, the functional currency of the parent company, at the rate of exchange ruling at the 31 December 2010. The results and cash flows of overseas subsidiaries are translated into sterling using the average rate of exchange for the year as this is considered to approximate to the actual rate. Exchange movements on the restatement of the net assets of overseas subsidiaries and the adjustment between the income statement translated at the average rate and the closing rate are taken directly to other reserves and reported in the other comprehensive income. All other exchange differences arising on monetary items are dealt with through the consolidated income statement. On closure of a subsidiary gains shown in other reserves are released to profit and loss.

#### Exceptional items

Exceptional items are disclosed separately on the face of the income statement. They include any components of financial performance which management consider significant to the Group's results and/or for which separate disclosure would assist in better understanding. Such items may include:

- Major restructuring or rationalisation programmes
- The sale or impairment of property, plant and equipment
- Other non-recurring items

#### Property, plant and equipment

Property, plant and equipment are stated at cost less a provision for depreciation and impairment losses. Depreciation is calculated so as to write off the cost less estimated residual values of the assets in equal instalments over their expected useful lives. No depreciation is provided on freehold land. Depreciation is provided on other assets at the following annual rates:

Buildings	4% - 20%
Plant and equipment	5% - 33%

Residual values and estimated useful lives are re-assessed annually.

#### Non-current assets held for sale

Assets held for sale include assets that the Group intends and expects to sell within one year from the date of classification as held for sale. Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Assets classified as held for sale are not subject to depreciation or amortisation.

#### Inventories

Inventories are valued at the lower of cost, including related overheads, and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and the overheads incurred in bringing items to their present location and condition. Inventories are valued on a first in, first out, basis.

#### Financial assets

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any required allowances for uncollectible amounts.

Loans and receivables are non-derivative financial assets that are not quoted on an active market. Trade receivables are classified as loans and receivables. Any change in their value through impairment or reversal of impairment is recognised in the income statement. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

#### Financial liabilities

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Balances with Group companies arise from trading activities and are initially recognised at fair value.

## Notes to the financial statements

### 26 Accounting policies (continued)

#### Taxation

Deferred taxation is provided on taxable and deductible temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised or that they will reverse. Deferred tax is measured using the tax rates expected to apply when the asset is realised or the liability settled based on tax rates enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability on the reporting date differs from its tax base except for differences arising on investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged directly to other comprehensive income (such as the revaluation of land or relating to transactions with owners) in which case the related deferred tax is also charged or credited directly to other comprehensive income.

Current tax is the tax currently payable on taxable profit for the year.

#### Employee benefits

The retirement benefit asset recognised in the statement of financial position represents the fair value of defined benefit fund assets less the present value of the defined benefit obligation, to the extent that this is recoverable by means of a contribution holiday, payment of money purchase contributions and expenses from the fund calculated on the projected unit credit method. Operating costs comprise the current service cost. Finance income comprises the expected return on fund assets less the interest on fund liabilities. Actuarial gains or losses comprising differences between the actual and expected return on fund assets, changes in fund liabilities due to experience and changes in actuarial assumptions are recognised immediately in other comprehensive income.

Pension costs for the members of the money purchase section represent contributions payable during the year.

#### Share based payments

The fair value at the date of grant of share options is calculated using the Black Scholes pricing model and charged to the income statement on a straight line basis over the vesting period of the award. The charge to the income statement takes account of the estimated number of share options that will vest.

The corresponding credit to an equity settled share based payment is recognised in equity. If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

#### Employee benefit trusts

The Company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where monies held in a trust are determined by the Company on the basis of employees' past services to the business and the Company can obtain no future economic benefit from these monies, such monies, whether in trust or accrued for by the Company are charged to the income statement in the period to which they relate.

## Notes to the financial statements

### 26 Accounting policies (continued)

#### Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at 31 December 2010 that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to pension and other post employment benefits. The cost of defined benefit pension plans and other post employment benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, mortality rates and future pension increases. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The irrecoverable surplus is based on estimates of the recoverable surplus. These are based on expectations in line with the underlying assumptions in the valuation and current circumstances. Further details can be found in note 25.

#### Future changes in accounting policies – standards issued but not yet effective

As of the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

- IFRS 9 Financial Instruments (effective 1 January 2013)
- IAS24 (Revised 2009) Related Party Disclosures (effective 1 January 2011)
- Amendment to IAS 32 Classification of Rights Issues (effective 1 February 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective 1 July 2010)
- Prepayments of a Minimum Funding Requirement – Amendments to IFRIC 14 (effective 1 January 2011)
- Improvements to IFRS issued May 2010 (effective 1 July 2010 and 1 January 2011)
- Disclosures – Transfers of Financial Assets – Amendments to IFRS 7 (effective 1 July 2011)
- Deferred Tax Recovery of Underlying Assets – Amendments to IAS 12 Income Taxes (effective 1 January 2012)

None of these would have any material impact on the financial statements

## Five Year Record (unaudited)

Year ended 31 December	2006	2007	2008	2009	2010
	£'000	£'000	£'000	£'000	£'000
<b>Income statement (continuing operations)</b>					
<b>Revenue</b>	26,956	23,913	22,946	21,948	<b>24,830</b>
<b>Gross profit</b>	2,046	2,596	3,010	4,178	<b>4,997</b>
<b>Operating profit/(loss) before exceptional items</b>	(737)	(59)	379	570	<b>1,305</b>
Exceptional items	(969)	(197)	15	66	-
<b>Operating profit/(loss)</b>	(1,706)	(256)	394	636	<b>1,305</b>
Interest	(283)	(307)	(222)	(52)	<b>(66)</b>
Finance income in respect of Pension Fund	1,120	1,280	1,047	374	<b>474</b>
<b>Profit/(loss) before taxation</b>	(869)	717	1,219	958	<b>1,713</b>
Taxation	241	(149)	(438)	(229)	<b>(473)</b>
Dividends	(453)	(453)	(453)	(384)	<b>(456)</b>
<b>Retained profit/(loss)</b>	(1,081)	115	328	345	<b>784</b>
<b>Net assets excluding pension asset after deduction of related deferred tax</b>	15,632	15,216	15,576	15,381	15,381
Depreciation	1,924	1,983	1,649	1,477	<b>1,379</b>
<b>EBITDA (earnings before interest, tax, depreciation and amortisation)</b>	1,360	1,419	2,229	1,849	<b>2,684</b>
Operating profit/(loss) revenue	(6.8%)	(2.2%)	1.7%	2.9%	<b>5.3%</b>
Return on shareholders' funds	(7.7%)	3.7%	5.0%	4.7%	<b>8.1%</b>
Earnings per share (basic & diluted)	(6.0p)	1.2p	5.7p	2.7p	<b>7.8p</b>

The income statement excludes the discontinued operation in North America for all 5 years