

ROBINSON

Packaging Innovation

2015 FINANCIAL STATEMENTS



Registered Number: 39811

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DIRECTORS AND ADVISERS

Directors	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> Alan McLean Raleigh – <i>Non-executive Director</i>
Registered Office	Field House, Wheatbridge, Chesterfield, S40 2AB
Nominated Adviser/Broker	FinnCap 60 New Broad Street, London EC2M 1JJ
Solicitor	DLA Piper UK LLP 1 St Paul's Place, Sheffield, S1 2JX
Auditor	Deloitte LLP 1 City Square, Leeds, LS1 2AL
Registrar	Neville Registrars Limited 18 Laurel Lane, Halesowen, B63 3DA
Banker	Lloyds Bank Butt Dyke House, 33 Park Row, Nottingham, NG1 6GY

The Company is incorporated in England, registered no 39811

Activities

Robinson plc is a custom manufacturer of plastic and paperboard packaging, predominately serving the food, household, drink, confectionery, cosmetic and toiletry sectors. Our packaging solutions have been used by our customers to differentiate their brands in the UK and internationally for over 175 years.

In both plastic and paperboard formats, Robinson has established a distinguished reputation for innovation and technical excellence and operates with a customer service ethos reflective of the family business from which the Group originated.

Our customers include Proctor & Gamble, McBride, SC Johnson, Sonoco, Heinz, Two Sisters, Nestle, Avon, Reckitt Benckiser, Kraft, Quaker Oats, Mars, Dr Oetker, Fiddes Payne, Tomil, Kosmet and Gold Drop.

Robinson aims to ensure our products reliably meet our customers' requirements whilst minimising their impact on the environment. All our UK manufacturing facilities are BRC (British Retail Consortium) accredited to food packaging standards and we have long held ISO 9001 Quality Standard and Investors in People status.

Our Kirkby plant is focused primarily on the food sector serving an international blue chip customer base with custom injection moulded packaging solutions.

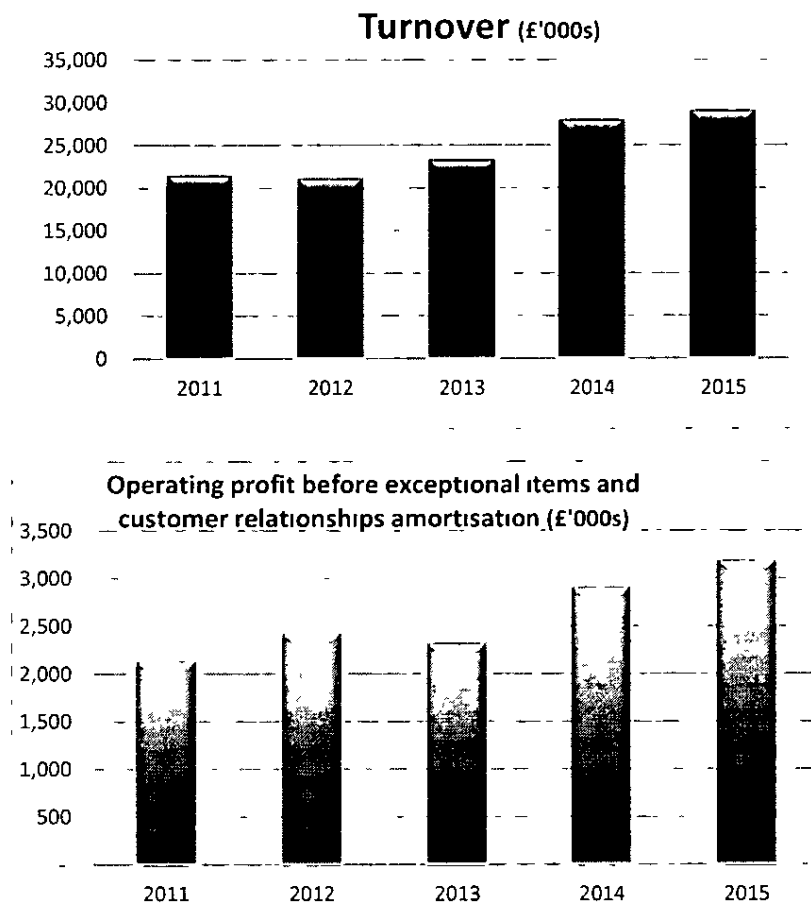
Our Stanton Hill facility manufactures high quality injection moulded specialist devices primarily for international toiletries, cosmetics and homecare branded customers.

At Lodz, in Poland, we provide the same high quality injection moulding solutions for many of our blue chip customers who have established operations in the region.

Near Warsaw, in Poland the Madrox business manufactures high quality blow and injection moulded products primarily for the household and toiletry sectors in the region.

Our Chesterfield operation produces rigid paperbox products for the food, confectionary and toiletries sectors.

Highlights



- Revenue increased by 4% to £29.1m (2014: £28.1m)
 - £2.4m reduction in underlying revenue due to foreign exchange movements and reduction in resin prices
- Madrox performance exceeded expectations adding £2.2m to pre-tax profits
- Exceptional cost of £1.7m for enhanced Madrox earn-out
- Net borrowings reduced by £3.0m to stand at £1.1m at the year-end
- The Board is recommending an increased final dividend for the year of 3.00p per share (2014: 2.75p), raising the total dividend declared in respect of 2015 by 10% to 5.5p

Chairman's report

The results for 2015 include the first full year since the business of Madrox in Poland was acquired in July 2014. This business has performed ahead of expectations adding £8.9m to revenues and £2.2m to pre-amortisation and pre-exceptional operating profits. This very satisfactory result of our latest acquisition has been offset by the loss of an important customer at Lodz and the effect of reduced resin prices and exchange rate movements.

Revenues

Revenues were £29.1m for the year, which represents a 3.8% increase on last year. The full year effect of the acquisition of Madrox added 18% to full year sales volumes whilst underlying sales volumes in the pre-existing businesses reduced by 6%. Two factors have significantly reduced reported revenues. Firstly, lower resin prices, which are passed on to customers, have resulted in lower product prices and, secondly, the weaker Polish zloty in relation to the Pound has reduced the value of our Polish earnings when converted to sterling. The combined effect of these two is to reduce reported revenues by £2.4m. The lower volumes in the existing businesses are mainly attributable to the previously reported lost contracts in our Lodz business in Poland which have now been replaced with new contracts, but these did not come on stream until towards the end of 2015.

Profits

The gross profit increased from 22.8% to 24.0% through lower resin prices and higher margins in the acquired Madrox business. The acquisition added to the operating costs which increased from £3.5m to £3.8m. The operating profit before amortisation and exceptional items, with the addition of the full year effect of Madrox, partly offset by the lost sales at Lodz, increased from £2.9m to £3.2m. The charge relating to ongoing amortization of the value attributed to acquired customer relationships amounted to £0.8m bringing the operating profit before exceptional items to £2.4m.

As a result of the improved results of the business in 2015, the earn-out element in the acquisition of Madrox has increased by an estimated £1.7m and this has been treated as an exceptional cost in the 2015 financial statements. This final element is due to be paid in April 2016 and brings the total estimated earn-out to £4.2m which would bring the total consideration to £14.7m. The profit before tax was £0.8m (2014: £2.4m).

Operations

The expansion of our Polish business has allowed us to significantly strengthen our management team and they will be seeking to use the additional blow moulding capability to develop sales in the region. In the UK the focus is on improving operational efficiency in the plastics factories and growing the paper box business out of Chesterfield which, after a slow start, is now contributing to Group profits.

Cash, finances and dividend

Because a major part of the fall in profit before tax was caused by non-cash items, the net cash generated from operating activities actually increased to £4.9m (2014: £2.5m). After payment of the dividend of £0.8m and the translation adjustment to foreign asset values, shareholders' funds reduced by £1.1m to £24.6m but net borrowings were reduced to £1.1m at the end of the year (2014: £4.1m). Taking these factors into account along with our view of the outlook, the Board proposes a final dividend of 3.0p per share to be paid on 1 June 2016 to shareholders on the register at the close of business on 13 May 2016. This brings the total dividend declared in respect of 2015 to 5.5p per share – an increase of 10% over the previous year.

Outlook

As we reported in our year-end update, the general economic conditions suggest a challenging year ahead with particular pressure on the major brands and the UK grocery sector. However, we have new business coming on stream and management is committed to both organic growth in sales and operational efficiency and through these we expect to deliver further growth in revenue and earnings.

Richard Clothier
Chairman
17 March 2016



Strategic report

Review of business

The Chairman's statement on page 5 is an integral part of the strategic report

The strategy of the business is to provide innovative custom injection moulded plastic packaging solutions which convey the brand values to the consumer market sectors including food & drink, toiletries, cosmetics and home care

Group revenue increased by 4% to £29.1m. The increase is attributable to the full year contribution of Madrox. Underlying sales volumes in the pre-existing businesses fell by 6%.

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

Indicator	2015	2014	2013	Measure
Revenue (£'000)	29,138	28,071	23,329	
Profitability ratios				
Gross margin	24%	23%	22%	Gross profit as a percentage of revenue
Trading margin	8%	9%	10%	Operating profit before exceptional items as a percentage of revenue
Working capital levels	27%	29%	25%	Inventory, trade receivables less trade payables as a percentage of revenue

The gross margin benefited from reduced plastic resin prices and the impact of the acquisition of Madrox. The trading margin was reduced by the full year amortisation of Madrox customer relationships. Working capital levels have fallen partly due to a reduction in year end stock levels and resin prices.

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	2015	units per £'000	2014	units per £'000	2013	units per £'000
Electricity consumed ('000 kwh)	19,345	0.664	16,710	0.595	12,157	0.521
Waste to recycling (tonnes)	326	0.011	411	0.015	217	0.009
Waste to landfill (tonnes)	140	0.005	141	0.005	259	0.011

There has been some increase in electricity consumption versus sales due to the fall in overall selling price and a full year of Madrox where usage is slightly higher than at other sites.

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

	2015	2014	2013
Lost time accidents	1	-	1
Reportable accidents	1	3	-

Growth

The Group has targeted consistent organic growth from existing businesses which will be achieved through market expansion and gaining new business through better service, product design and innovation. In addition, the Group is looking to expand its operations through acquisition of complementary packaging businesses in Central Europe.

Property

The Group has surplus properties and other properties not used exclusively in the manufacture of packaging products with a total value at the end of 2015 of £4.6m. These properties arise from the transfer or sale of previous manufacturing businesses. Some of these properties are let out to tenants on contracts that vary in length between 1 month and 2 years, with nearly all contracts expiring on or before the end of 2016. The annual gross rental income earned during the year was £0.4m representing a 10% yield. The intention of the Group is, over time, to realise the maximum value from

Strategic report

surplus properties and reinvest receipts in developing its packaging business. Investments in AIM trading companies can attract 100% relief from Inheritance Tax (Business Property Relief). Tax counsel have advised that the company qualifies for this relief since the properties held are residue from previous trading activities and there is an active plan to dispose of them.

Pension Fund

The Group has a surplus in its defined benefit scheme, which was closed to new entrants in 1997 and intends to buy out its liabilities when market conditions allow.

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:

- **Customer relationships** A significant proportion of the Group's turnover is derived from its key customers. The loss of any of these key customers, or a significant worsening in commercial terms, could adversely affect the Group's results. This risk is mitigated through regular communication and cooperation.

The Group seeks to reduce the risks presented by its consolidated customer base by ensuring high levels of service, maintaining strong commercial relationships and by working closely with customers on product development programmes to provide the customer with unique products and consumers with greater choice and convenience. The Group also monitors customer credit risk to manage exposure in the current challenging environment.

- **Fluctuations in input prices** Input prices such as plastic resin 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.
- **Foreign currency risk** Foreign currency risk management occurs at a transactional level on revenues and purchases in foreign currencies and at a translational level in relation to the translation of overseas operations. Any significant fluctuations in exchange rates, particularly the Euro, could impact the Group's profitability due to its presence in Poland. At present, the Group does not use any financial instruments to hedge against foreign currency movements, however, the potential impact of currency movements continues to be closely monitored.

By order of the Board



Guy Robinson
Finance Director
17 March 2016

Directors' report

The directors present their report and the audited financial statements of the Group for the year ended 31 December 2015. The financial statements of the Group and the Company have been prepared under International Financial Reporting Standards as adopted by the European Union.

Dividends

The directors recommend a final dividend of 3p per share to be paid on 1 June 2016 to shareholders on the register on 13 May 2016.

Directors and directors' interests

The directors during the year, together with their interests in 0.5p ordinary shares in Robinson plc, were as follows:

	1 January 2015	31 December 2015
Richard Clothier	34,976	34,976
Adam Formela	200,803	200,803
Anthony Glossop	185,162	185,162
Alan Raleigh	Nil	Nil
Guy Robinson	889,500	889,500

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, Alan Raleigh and Adam Formela retire by rotation and offer themselves for re-election. Further details concerning directors are provided in the Report on Corporate Governance.

Remuneration Policy

Robinson aims to attract, reward, motivate and retain senior executives with the objective of enhancing shareholder value. The current remuneration packages are intended to be competitive and incentivise senior executives. They comprise a mix of performance related and non-performance related remuneration and are in line with industry sector benchmarks.

Directors' Service Contracts

Both of the Executive Directors have a service contract with the Company. The Non-Executive Directors do not have service contracts with the Company. The remuneration of Non-Executive Directors is determined by the Board after consideration of appropriate external comparisons and the responsibilities and time involvement of individual Directors. No Director is involved in deciding his own remuneration.

Remuneration Package

The Executive Directors' remuneration packages, which are reviewed annually by the Remuneration Committee, consist of annual salary, performance related bonuses, health and other benefits, pension contributions and share options.

Summary of Directors Remuneration

£000	Salary, fees and benefits	Bonus	Pension contributions	2015 Total	2014 Total
Richard Clothier	56	-	-	56	55
Anthony Glossop	40	-	-	40	25
Adam Formela	213	93	43	349	328
Alan Raleigh	20	-	-	20	-
Guy Robinson	150	52	-	202	187
2015	479	145	43	667	
2014	428	124	43		595

Bonus

The Executive Directors participate in an annual bonus plan which allows them to earn up to 100% of their basic annual salary of which 60% is based on achieving profit targets and 40% on strategic objectives.

Pensions

Adam Formela is a member of a money purchase pension scheme and the Company contributes at a rate of 15% of salary. Guy Robinson is a member of the defined benefit pension scheme, in respect of which the Company is taking a contribution holiday.

Long Term Incentives

Share options have been granted to the Executive Directors under the Company's Share Option Scheme. These are designed to reward the Directors for achieving growth in shareholder value over the longer term.

Directors' report

Interests in Share Options

The Company has an equity settled share option scheme for its Executive Directors. Details of share options on 0.5p ordinary shares to the directors are as follows:

	Granted 31-Mar-10	Granted 04-May-11	Exercised in 2013	Granted 07-Apr-14	Outstanding 31-Dec-15
Adam Formela	450,000	450,000	(200,803)	99,256	798,453
Guy Robinson	250,000	250,000	(250,000)	67,494	317,494
	700,000	700,000	(450,803)	166,750	1,115,947
Exercise price (weighted average)	43p	69p	43p	201.5p	83p
Contractual life outstanding (weighted average)					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. 949,197 options were exercisable at the end of the period.

The market value of the shares at 31 December 2015 was 217.5p per share.

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.

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.

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

Further details are given in note 23 to the financial statements.

Going concern

In determining whether the Group's annual consolidated financial statements can be prepared on a going concern basis, the directors considered the Group's business activities, together with the factors likely to affect its future development, performance and position, these are set out in the Strategic Report on pages 6 and 7.

The Group meets its day to day working capital requirements through an overdraft facility which is due for renewal in October 2016. The Group's forecasts and projections, 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. The Group will seek to renegotiate this facility in due course and management is confident that a facility will be forthcoming on acceptable terms.

As at the date of this report, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Capital structure

As set out in note 21, the issued share capital of the Company is 17,687,223 ordinary shares of 0.5p each of which 1,292,919 are held in treasury. There have been no changes to the issued share capital since the year end. There is only one class of share in issue and there are no restrictions on the voting rights attached to these shares or the transfer of

Directors' report

securities in the Company Details of share options are set out above Persons with a shareholding of over 3% in the Company as at 31 December 2015 were

	Total	%
C B Robinson	1,774,500	10.8%
C W G Robinson	889,500	5.4%
S J Robinson	758,080	4.7%
J C Mansell	500,000	3.0%
R B Hartley	494,000	3.0%

Auditor

In the case of each of the persons who are directors of the Company at the date of approval of this report

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Directors' responsibilities statement

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 are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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

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
17 March 2016

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 2015 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Parent Company Statement of Financial Position, the Group and Parent Company Statement of Changes in Equity, the Group and Parent Company Cash Flow Statement and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with IFRSs 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.

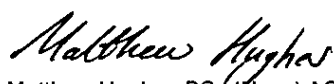
Opinion on other matter prescribed by the Companies Act 2006

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



Matthew Hughes BSc (Hons) ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, UK
17 March 2016

Group income statement

	Notes	2015 £'000	2014 £'000
Continuing operations			
Revenue	1	29,138	28,071
Cost of sales		(22,143)	(21,669)
Gross profit		6,995	6,402
Operating costs	2	(3,805)	(3,490)
Amortisation of intangible asset	11	(783)	(392)
Operating profit before exceptional items		2,407	2,520
Exceptional items	3	(1,694)	(364)
Operating profit after exceptional items		713	2,156
Finance income - interest receivable		12	27
Finance costs - bank interest payable		(104)	(106)
Finance income in respect of pension fund	27	153	342
Profit before taxation	4	774	2,419
Taxation	6	(679)	(418)
Profit attributable to the owners of the Company		95	2,001
Basic earnings per share	8		
EPS from continuing operations		0 6p	12 2p
EPS from continuing operations excluding exceptional items		10 9p	14 4p
Diluted earnings per share	8		
EPS from continuing operations		0 6p	11 7p
EPS from continuing operations excluding exceptional items		10 5p	13 9p

Group statement of comprehensive income

	Notes	2015 £'000	2014 £'000
Profit for the year		95	2,001
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability	27	(33)	(402)
Deferred tax relating to items not reclassified	16	85	122
		52	(280)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(375)	(544)
Other comprehensive expense for the year		(323)	(824)
Total comprehensive income for the year attributable to the owners of the Company		(228)	1,177

Notes 1 to 28 form an integral part of the financial statements

Statement of financial position

		Group		Company	
	Notes	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Non-current assets					
Goodwill	10	1,264	1,413	-	-
Other intangible assets	11	6,655	7,438	-	-
Property, plant and equipment	12	14,152	14,761	8,836	9,060
Investments in subsidiaries	13	-	-	18,920	22,858
Deferred tax asset	16	133	132	-	-
Pension asset	27	3,747	3,825	3,747	3,825
		25,951	27,569	31,503	35,743
Current assets					
Inventories	14	2,072	2,635	-	-
Trade and other receivables	15	8,882	8,919	1,281	1,151
Corporation tax receivable		3	-	509	363
Cash		4,688	710	2,249	1
		15,645	12,264	4,039	1,515
Non-current assets held for sale	17	-	-	-	-
Total assets		41,596	39,833	35,542	37,258
Current liabilities					
Trade and other payables	18	(9,365)	(4,919)	(13,469)	(9,984)
Corporation tax payable		(153)	(44)	-	-
Borrowings	19	(4,641)	(2,856)	(2,881)	(2,454)
		(14,159)	(7,819)	(16,350)	(12,438)
Non-current liabilities					
Borrowings	19	(1,132)	(2,002)	-	-
Other payables	18	(62)	(2,520)	-	(2,520)
Deferred tax liabilities	16	(1,503)	(1,728)	(225)	(301)
Amounts due to group undertakings		-	-	(3,431)	(3,431)
Provisions	20	(183)	(184)	(183)	(184)
		(2,880)	(6,434)	(3,839)	(6,436)
Total liabilities		(17,039)	(14,253)	(20,189)	(18,874)
Net assets		24,557	25,580	15,353	18,384
Equity					
Share capital	21	82	82	82	82
Share premium		610	610	610	610
Capital redemption reserve		216	216	216	216
Translation reserve		(620)	(245)	-	-
Revaluation reserve		4,510	4,463	554	548
Retained earnings		19,759	20,454	13,891	16,928
Equity attributable to shareholders		24,557	25,580	15,353	18,384

Notes 1 to 28 form an integral part of the financial statements. The financial statements were approved by the directors and authorised for issue on 17 March 2016. They were signed on their behalf by

Adam Formela
Director

Guy Robinson
Director

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
Group							
At 1 January 2014	82	610	216	299	4,416	19,481	25,104
Profit for the year						2,001	2,001
Other comprehensive expense				(544)		(266)	(810)
Transfer to revaluation reserves as a result of property transactions					49	(49)	-
Tax on revaluation					(2)	-	(2)
Total comprehensive income for the year	-	-	-	(544)	47	1,686	1,189
Credit in respect of share based payments						42	42
Dividends paid						(755)	(755)
Transactions with owners	-	-				(713)	(713)
At 31 December 2014	82	610	216	(245)	4,463	20,454	25,580
Profit for the year						95	95
Other comprehensive income/(expense)				(375)		52	(323)
Transfer to revaluation reserves as a result of property transactions					43	(43)	-
Tax on revaluation					4	-	4
Total comprehensive income for the year	-	-	-	(375)	47	104	(224)
Credit in respect of share based payments						38	38
Dividends paid						(837)	(837)
Transactions with owners	-	-				(799)	(799)
At 31 December 2015	82	610	216	(620)	4,510	19,759	24,557
Company							
At 1 January 2014	82	610	216	-	538	18,474	19,920
Loss for the year						(556)	(556)
Other comprehensive expense						(266)	(266)
Transfer to revaluation reserves as a result of property transactions					11	(11)	-
Tax on revaluation					(1)	-	(1)
Total comprehensive income for the year	-	-	-	-	10	(833)	(823)
Credit in respect of share based payments						42	42
Dividends paid						(755)	(755)
Transactions with owners						(713)	(713)
At 31 December 2014	82	610	216	-	548	16,928	18,384
Loss for the year						(2,287)	(2,287)
Other comprehensive income						52	52
Transfer from revaluation reserves as a result of property transactions					3	(3)	-
Tax on revaluation					3	-	3
Total comprehensive income for the year	-	-	-	-	6	(2,238)	(2,232)
Credit in respect of share based payments						38	38
Dividends paid						(837)	(837)
Transactions with owners	-	-				(799)	(799)
At 31 December 2015	82	610	216	-	554	13,891	15,353

Statement of cash flows

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Profit/(loss) for the year	95	2,001	(2,287)	(556)
Adjustments for				
Depreciation of property, plant and equipment	1,423	1,176	259	261
Profit on disposal of other plant and equipment	(16)	(7)	-	(2)
Amortisation of goodwill and customer relationships	932	466	-	-
Decrease in provisions	(1)	(3)	(1)	(3)
Other finance income in respect of Pension Fund	(153)	(342)	(153)	(342)
Finance costs	104	106	157	130
Finance income	(12)	(27)	(26)	(47)
Taxation charged	679	418	115	24
Other non-cash items				
Pension current service cost and expenses	200	184	200	184
Charge for share options	38	42	38	42
Operating cash flows before movements in working capital	3,289	4,014	(1,698)	(309)
Decrease in inventories	563	133	-	-
Decrease/(increase) in trade and other receivables	37	(238)	(130)	(21)
Increase/(decrease) in trade and other payables	1,873	(672)	1,004	3,334
Cash generated by operations	5,762	3,237	(824)	3,004
Corporation tax paid	(714)	(632)	(252)	(331)
Interest paid	(104)	(101)	(157)	(35)
Net cash generated from operating activities	4,944	2,504	(1,233)	2,638
Cash flows from investing activities				
Interest received	12	26	26	14
Acquisition of plant & equipment	(1,072)	(993)	(35)	(6)
Proceeds on disposal of plant & equipment	16	41	-	15
Acquisition of subsidiary	-	(10,346)	-	(10,346)
Net cash used in investing activities	(1,044)	(11,272)	(9)	(10,323)
Cash flows from financing activities				
Loans (repaid)/received	(908)	2,818	-	-
Loans repaid by subsidiaries	-	-	3,900	-
Dividends paid	(837)	(755)	(837)	(755)
Net cash (used in)/generated from financing activities	(1,745)	2,063	3,063	(755)
Net increase/(decrease) in cash and cash equivalents	2,155	(6,705)	1,821	(8,440)
Cash and cash equivalents at 1 January	(1,330)	5,375	(2,453)	5,987
Cash and cash equivalents at 31 December	825	(1,330)	(632)	(2,453)
Cash	4,688	710	2,249	1
Overdraft	(3,863)	(2,040)	(2,881)	(2,454)
Cash and cash equivalents at 31 December	825	(1,330)	(632)	(2,453)

Notes 1 to 28 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 assets and liabilities held in the following locations:

	2015 £'000	2014 £'000	2015 £'000	2014 £'000
	Revenue		Operating profit/(loss)	
United Kingdom	18,199	19,466	(378)	987
EU	10,939	8,605	1,091	1,169
	29,138	28,071	713	2,156

Included in revenues arising from the EU are revenues from the Group's largest customer amounting to £3,087,000 (2014: £4,017,000).

	Assets		Liabilities	
United Kingdom	26,946	25,738	(12,072)	(8,748)
EU	14,650	14,095	(4,967)	(5,505)
	41,596	39,833	(17,039)	(14,253)
	Capital expenditure		Depreciation	
United Kingdom	318	773	775	766
EU	754	220	648	410
	1,072	993	1,423	1,176

2 Operating costs

	2015 £'000	2014 £'000
Selling, marketing and distribution costs	832	916
Administrative expenses	3,635	2,998
Property rental income	(408)	(415)
Other income including rent from Portland	(75)	(75)
(Gain)/Loss on foreign exchange	(179)	66
	3,805	3,490

3 Exceptional items

	2015 £'000	2014 £'000
Costs relating to acquisition of subsidiary	(1,694)	(364)

Notes to the financial statements

4 Profit before taxation

The profit before taxation has been stated after charging / (crediting)

	2015 £'000	2014 £'000
Amortisation and depreciation	1,423	1,176
Gains on disposal of plant and equipment	(13)	(14)
(Gain)/loss on foreign exchange movements	(179)	66
Fees payable to the Company's auditor for the audit of the Company's annual accounts	31	29
Fees payable to the Company's auditor and their associates for other services to the Group		
- audit of Company's overseas subsidiaries	13	11
Total audit fees	44	40
- tax compliance services	9	11
- tax advisory services	5	7
- corporate finance	-	17
- other services	1	-
Total non-audit fees	15	35
Total auditor's remuneration	59	75
Audit fees in respect of the Robinson pension scheme are charged to the scheme	3	3

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 loss for the financial year after dividends received amounted to £2,286,000 (2014 loss £556,000)

5 Employee information

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

	Group	
	2015 Number	2014 Number
Plastic and paperboard packaging	299	276
Staff costs (for the above)	£'000	£'000
Wages and salaries	5,665	5,513
Social security costs	635	599
Pension costs	346	347
Share based charges	38	42
	6,684	6,501

Notes to the financial statements

6 Taxation

Current corporation tax is calculated at 20.25% (2014: 21.5%) of the estimated assessable profit for the year. In addition to the above, deferred tax of £85,000 (2014: £122,000) has been credited directly to equity in the year (see note 16). The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2015 £'000	2014 £'000
Current tax	820	432
Deferred tax	(141)	(14)
	679	418
	2015 £'000	2014 £'000
Profit before taxation	774	2,419
At the effective rate of tax of 20.25% (2014: 21.5%)	157	520
Difference in rate on overseas taxation	(24)	(39)
Items disallowable for tax	410	3
Depreciation on assets ineligible for capital allowances	14	15
Prior year adjustments	115	(152)
Book value of property disposals in excess of capital gains	-	(1)
Other differences	7	72
Tax charge for the year	679	418

There are unrecognised capital losses carried forward of £903,000 (2014: £903,000). With this exception, the directors are not aware of any material factors affecting the future tax charge.

The reduction in the main rate of corporation tax to 18% from 1 April 2020 has been announced. Accordingly, deferred tax balances have been revalued to the lower rate of 18% in these accounts to the extent that timing differences are expected to reverse after this date.

7 Dividends

	2015 £'000	2014 £'000
Ordinary dividend paid		
2014 final of 2.75p per share (2013: 2.5p per share)	439	396
2015 interim of 2.5p per share (2014: 2.25p per share)	398	359
	837	755

8 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 (£95,000, 2014: £2,001,000) divided by the weighted average number of shares in issue, net of treasury shares (16,156,231, 2014: 16,156,231 for diluted earnings per share: 16,960,230, 2014: 17,043,163).

9 Operating lease arrangements

At the balance sheet date the Group had contracted with tenants for the following future minimum lease receipts:

	£'000
Within one year	216
In the second to fifth years inclusive	76
	292

Notes to the financial statements

10 Goodwill

Group	£'000
Cost	
At 1 January 2014	-
Recognised on acquisition of a subsidiary	1,487
At 31 December 2014 and 31 December 2015	1,487
Accumulated impairment losses	
At 1 January 2014	-
Impairment losses for the year	74
At 31 December 2014	74
Impairment losses for the year	149
At 31 December 2015	223
Carrying amount	
At 31 December 2015	1,264
At 31 December 2014	1,413

The group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. During the year the goodwill was impaired to a value equivalent to the reduction in the deferred tax liability on the intangible assets acquired.

11 Other intangible assets

Group	Customer relationships £'000
Cost	
At 1 January 2014	-
Acquired on acquisition of a subsidiary	7,830
At 31 December 2014 and 31 December 2015	7,830
Amortisation	
At 1 January 2014	-
Charge for the year	392
At 31 December 2014	392
Charge for the year	783
At 31 December 2015	1,175
Carrying amount	
At 31 December 2015	6,655
At 31 December 2014	7,438

The amortisation period for customer relationships acquired is 10 years.

Notes to the financial statements

12 Property, plant and equipment

Group	Land and buildings £'000	Surplus properties £'000	Plant and machinery £'000	Assets under construction	Total £'000
Cost or deemed cost					
At 1 January 2014	7,298	2,605	17,247	-	27,150
Additions at cost	51	-	942	-	993
Acquisition of subsidiary	1,659	-	1,777	-	3,436
Disposals	-	-	(170)	-	(170)
Transfer from non-current assets held for sale	-	1,250	-	-	1,250
Exchange movement	(431)	-	(249)	-	(680)
At 31 December 2014	8,577	3,855	19,547	-	31,979
Additions at cost	42	-	853	177	1,072
Disposals	-	-	(100)	-	(100)
Exchange movement	(208)	-	(338)	-	(546)
At 31 December 2015	8,411	3,855	19,962	177	32,405
Depreciation					
At 1 January 2014	1,235	208	14,905	-	16,348
Charge for year	201	-	975	-	1,176
Disposals	-	-	(136)	-	(136)
Exchange movement	(66)	-	(104)	-	(170)
At 31 December 2014	1,370	208	15,640	-	17,218
Charge for year	247	-	1,176	-	1,423
Disposals	-	-	(97)	-	(97)
Exchange movement	(37)	-	(254)	-	(291)
At 31 December 2015	1,580	208	16,465	-	18,253
Net book value					
At 31 December 2015	6,831	3,647	3,497	177	14,152
At 31 December 2014	7,207	3,647	3,907	-	14,761
Company					
Cost or deemed cost					
At 1 January 2014	3,200	2,848	302	-	6,350
Additions at cost	-	-	6	-	6
Disposals	-	-	(24)	-	(24)
Transfer from non-current assets held for sale	-	3,700	-	-	3,700
At 31 December 2014	3,200	6,548	284	-	10,032
Additions at cost	-	-	35	-	35
At 31 December 2015	3,200	6,548	319	-	10,067
Depreciation					
At 1 January 2014	363	133	226	-	722
Charge for year	236	-	25	-	261
Disposals	-	-	(11)	-	(11)
At 31 December 2014	599	133	240	-	972
Charge for year	236	-	23	-	259
At 31 December 2015	835	133	263	-	1,231
Net book value					
At 31 December 2015	2,365	6,415	56	-	8,836
At 31 December 2014	2,601	6,415	44	-	9,060

At 31 December 2015 had the land and buildings and surplus properties been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £646,000 (2014 £756,000), Company £646,000 (2014 £756,000). The Directors consider the fair value of the surplus properties held by the Group equates to a market value of £4.6m (2014 £4.6m).

Notes to the financial statements

13 Investments in subsidiaries

Company	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
Cost			
At 1 January 2014	1	12,890	12,891
Additions	-	12,988	12,988
Repayments	-	(91)	(91)
At 31 December 2014	1	25,787	25,788
Additions	-	-	-
Repayments	-	(3,938)	(3,938)
At 31 December 2015	1	21,849	21,850
Amounts written off			
At 1 January 2014	-	2,930	2,930
Released	-	-	-
At 31 December 2014	-	2,930	2,930
Released	-	-	-
At 31 December 2015	-	2,930	2,930
Net book value			
At 31 December 2015	1	18,919	18,920
At 31 December 2014	1	22,857	22,858

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.

Interests in Group undertakings

The Company has the following interest in subsidiaries

Name of undertaking	Activities
Robinson (Overseas) Limited	Holding Company
Robinson Paperbox Packaging Limited	Manufacture of Paperboard Packaging
Robinson Plastic Packaging Limited	Manufacture of Plastic Packaging
Robinson Plastic Packaging (Stanton Hill) Limited	Manufacture of Plastic Packaging
Robinson Packaging Polska Sp z o o	Manufacture of Plastic Packaging
Madrox Spolka Akcyjna	Manufacture of Plastic Packaging
Walton Mill (Chesterfield) Limited	Property Company
Furnace Hill Limited	Dormant Company
Griffin Estates (Chesterfield) Limited	Dormant Company
Lowmoor Estates Limited	Dormant Company
Mill Lane Properties Limited	Dormant Company
Portland Works Limited	Dormant Company
Robinson Industrial Properties Limited	Dormant Company
Walton Estates (Chesterfield) Limited	Dormant Company
Wheatbridge Limited	Dormant Company

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

Notes to the financial statements

14 Inventories

	Group	
	2015	2014
	£'000	£'000
Raw materials	1,321	1,576
Work in progress	52	48
Finished goods and goods for resale	699	1,011
	2,072	2,635

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

In 2015, a total of £20,189,000 (2014 £18,740,000) cost of inventories was included in the income statement as an expense. This includes an amount of £222,000 resulting from the write-down of inventories (2014 £63,000) and £21,000 (2014 £49,000) resulting from the reversal of previous write-downs.

15 Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade receivables	8,442	8,396	421	184
Receivables from subsidiaries	-	-	697	775
Other receivables	276	382	67	177
Prepayments and accrued income	164	141	96	15
	8,882	8,919	1,281	1,151

Including other receivables due in greater than one year

100	27	-	-
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Receivables from one customer amounted to £1,135,000 at 31 December 2015 (2014 £1,008,000). The carrying value of trade or other receivables is considered a reasonable approximation of fair value.

The average credit period taken is 74 days (2014 72 days). The Group manages credit risk by credit checking new customers and defining credit limits. The Group reserves the right to charge interest on overdue amounts. 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 £17,000 (2014 £18,000) has been recorded accordingly.

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:

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Not more than 3 months	744	757	-	-
More than 3 months but not more than 6 months	31	67	-	-
	775	824	-	-

Trade receivables that are not past due are not considered to be impaired.

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

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
At 1 January	18	5	-	-
Impairment losses recognised	4	14	-	-
Amounts written off during the year as uncollectable	-	-	-	-
Amounts recovered during the year	(5)	(1)	-	-
Foreign exchange translation gains and losses	-	-	-	-
At 31 December	17	18	-	-

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

Notes to the financial statements

16 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	Short term temporary differences	Fair value gains	Pension obligations	Total
Group	£'000	£'000	£'000	£'000	£'000
At 1 January 2014	(144)	(508)	48	851	247
Charge to income	32	(80)	-	34	(14)
Arising from acquisition	-	1,485	-	-	1,485
Charged through other comprehensive income	-	-	(2)	(120)	(122)
At 31 December 2014	(112)	897	46	765	1,596
Charge to income	33	(164)	-	(10)	(141)
Charged through other comprehensive income	-	-	(5)	(80)	(85)
At 31 December 2015	(79)	733	41	675	1,370
Company					
At 1 January 2014	(7)	(485)	32	851	391
Charge to income	-	(3)	-	34	31
Charged through other comprehensive income	-	-	(1)	(120)	(121)
At 31 December 2014	(7)	(488)	31	765	301
Charge to income	4	13	-	(10)	7
Charged through other comprehensive income	-	-	(3)	(80)	(83)
At 31 December 2015	(3)	(475)	28	675	225

Deferred tax has been provided at 18%. 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	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Deferred tax liability	1,503	1,728	225	301
Deferred tax asset	(133)	(132)	-	-
	1,370	1,596	225	301

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

17 Non-current assets held for sale

	Group	Company
	£'000	£'000
Property held for sale at 1 January 2014	1,250	3,700
Transfer to fixed assets	(1,250)	(3,700)
Property held for sale at 31 December 2014 and 31 December 2015	-	-

Non-current assets classified as held for sale included surplus land and buildings that were being marketed for sale and for which a sale was anticipated in the near future

Notes to the financial statements

18 Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade payables	2,623	2,894	93	71
Amounts due to subsidiaries	-	-	7,936	9,041
Social security and other taxes	843	725	112	116
Other creditors	322	236	62	58
Accruals and deferred income	5,639	3,584	5,266	3,218
	9,427	7,439	13,469	12,504
Amount due for settlement within 12 months	9,365	4,919	13,469	9,984
Amount due for settlement after 12 months	62	2,520	-	2,520

The carrying amount of trade and other payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid on a timely basis.

19 Borrowings

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Held at amortised cost				
Bank overdraft	3,863	2,040	2,881	2,454
Bank loan	1,910	2,818	-	-
	5,773	4,858	2,881	2,454
Amount due for settlement within 12 months	4,641	2,856	2,881	2,454
Amount due for settlement after 12 months	1,132	2,002	-	-

A bank overdraft facility is repayable on demand and bears interest at a rate that varies with Lloyd's sterling base rate. It is secured on a first charge over certain of the Group's properties. The undrawn facility at 31 December 2015 was £4.6m.

20 Provisions for liabilities

Group and Company	Post-retirement benefits £'000
At 1 January 2014	187
Utilised in year	(3)
At 1 January 2015	184
Utilised in year	(1)
At 31 December 2015	183

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 4% per annum and medical cost inflation rate of 8.3% per annum.

21 Share capital

	2015 £'000	2014 £'000
Authorised		
70,000,000 ordinary shares of 0.5p each	350	350
Allotted, called up and fully paid		
17,687,223 ordinary shares of 0.5p each	88	88
Held in Treasury 1,292,919 shares of 0.5p each	(6)	(6)
	82	82

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

Notes to the financial statements

22 Retained earnings

An amount of £200,000 included in the retained earnings of the Company relates to the revaluation of property held in its subsidiaries and is not distributable

23 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.

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 €580,000 at 31 December 2015 (2014: €546,000). 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.

	Euro currency impact	
	2015 £'000	2014 £'000
Profit or loss for the year	71	46
Equity	71	46

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

Interest rate sensitivity

If interest rates had been 1 per cent higher, the Group's profit for the year ended 31 December 2015 would decrease by £34,000 (2014: £37,000) 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 2015 as detailed in note 15. 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 the Group. 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.

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	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Current within 12 months				
Trade payables	2,623	2,894	93	71
Other financial liabilities	5,961	3,820	13,264	12,317
Borrowings	2,731	38	2,731	38
	11,315	6,752	16,088	12,426
Non-current later than 12 months				
Other financial liabilities	-	-	3,431	3,431
Borrowings	1,132	2,002	1,132	2,002
	1,132	2,002	4,563	5,433

Notes to the financial statements

23 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	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Financial assets				
Loans and receivables				
Trade and other receivables	8,718	8,778	1,185	1,136
Cash	4,688	710	2,249	1
	13,406	9,488	3,434	1,137
Financial liabilities measured at amortised cost				
Non-current				
Amounts due to group undertakings	-	-	(3,431)	(3,431)
Current				
Borrowings	(5,773)	(2,856)	(2,881)	(2,454)
Trade and other payables	(8,584)	(6,714)	(13,357)	(12,388)
	(14,357)	(9,570)	(19,669)	(18,273)
Net financial assets and liabilities	(951)	(82)	(16,235)	(17,136)
Non-financial assets and liabilities	25,508	25,662	31,588	35,520
Total equity	24,557	25,580	15,353	18,384

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.

24 Capital commitments

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Contracted but not provided in these financial statements	349	68	-	-

25 Contingent liabilities

There were contingent liabilities at 31 December 2015 in relation to cross guarantees of bank overdrafts given by the Company on behalf of other Group undertakings. The amount guaranteed at 31 December 2015 was £3,527,000 (2014 £2,902,000). The directors have considered the fair value of the cross guarantee and do not consider this to be significant.

Notes to the financial statements

26 Related parties

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

	2015 £'000	2014 £'000
Charges by the Company to its subsidiaries		
Rent	318	318
Management charges	222	222
Interest	26	32
Other charges (including costs incurred by the Company on behalf of its subsidiaries and subsequently recharged to them)	5,773	6,178
	6,339	6,750
Charges by the subsidiaries to the Company (mainly costs incurred by them on behalf of the Company and recharged to it)	194	162
Net balances due from subsidiaries outstanding at the year end	8,249	11,160

27 Pension asset Group and Company

The Group operates one principal pension scheme, the Robinson & Sons Limited Pension Fund, of which approximately 80% 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 actuary carried out a valuation of the scheme as at 5 April 2014 which showed a surplus of 6% on an on-going basis. The fund was valued as at 31 December for the purpose of these financial statements by Mr. Andrew Allsopp FIA of Quattro Pensions and the key assumptions used were

	2015	2014
Discount rate for liabilities	3.70%	3.40%
Expected rates of return		
Equities	5.40%	5.10%
Gilts and bonds	3.40%	3.10%
Real estate	3.40%	n/a
Cash	3.40%	3.10%
Price inflation	3.00%	3.00%
Salary inflation	3.30%	3.20%

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 £700,000 (2014, £700,000). Inflation assumptions in both years are dependent on gilt yields.

The mortality assumptions used are based on the S2 series tables with allowance for future improvements made by combining the 2014 improvement factors published by the Continuous Mortality Investigation ("CMI") with an assumed long-term annual rate of improvement in mortality at each age of 1%. The average life expectancy of a pensioner at ages 45 and 65 is as follows

	2015	2014
Life expectancy of 45 year old man at the age of 65 years	23.4	23.3
Life expectancy of 45 year old woman at the age of 65 years	25.6	25.5
Life expectancy of 65 year old man at the age of 65 years	22.1	22.0
Life expectancy of 65 year old woman at the age of 65 years	24.1	24.0

If the life expectancy assumption was increased by 1 year, the liabilities would increase by approximately £1,500,000 (2014 £1,500,000). The average duration of the benefit obligation at the year end is 13 years.

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 0.30% 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 4.20%.

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. Under IAS19, the disclosure of a scheme's total surplus must be limited to the amount by which the employer can gain an "economic benefit" from the existence of the surplus. This "recoverable surplus" has been estimated as the amount of the scheme's total surplus that can be used to meet scheme expenses, employer contributions to the defined contribution section of the Scheme, and the cost of future accrual in the defined benefit section of the Scheme. The irrecoverable surplus is then the difference between the total surplus and the estimated recoverable surplus as defined above.

Notes to the financial statements

27 Pension asset (continued)

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 2017 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 2015 amounted to £2,699,000 (2014 £2,530,000).

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

	2015 £'000	2014 £'000
Equities	22,847	7,125
Gilts and bonds	26,662	50,905
Real estate	4,909	-
Cash	1,689	360
Total market value of assets	56,107	58,390
Present value of scheme liabilities	(50,859)	(53,689)
Surplus in the scheme	5,248	4,701
Irrecoverable surplus	(4,200)	(3,406)
Escrow account	2,699	2,530
Pension asset	3,747	3,825

The following amounts were recognised in the income statement

	2015 £'000	2014 £'000
Charged to operating profit		
Current service cost - final salary section	106	114
Expenses - final salary section	94	70
Current service cost - money purchase section	146	163
Total operating charge	346	347
Charged to		
Cost of sales	81	71
Operating costs	265	276
Total operating charge	346	347

The following amounts were recognised in other comprehensive income

	2015 £'000	2014 £'000
Movement in irrecoverable surplus before deduction of escrow account	(794)	2,392
Other actuarial gains/(losses)	761	(2,794)
Actuarial loss recognised in other comprehensive income before deferred taxation	(33)	(402)

Movements in the defined benefit obligation were as follows

	2015 £'000	2014 £'000
At 1 January	53,689	48,641
Current service cost	106	114
Interest cost	1,786	2,087
Employee contributions	18	17
Remeasurement DBO - actuarial (loss)/gain from financial items	(2,114)	5,276
Remeasurement DBO - actuarial (loss)/gain from demographic items	(139)	142
Benefits paid	(2,487)	(2,588)
At 31 December	50,859	53,689

Notes to the financial statements

27 Pension asset (continued)

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

	2015 £'000	2014 £'000
At 1 January	58,390	56,140
Employee contributions	18	17
Interest income on plan assets	1,939	2,429
Remeasurement of plan assets - actuarial (loss)/gain	(1,492)	2,624
Employer contributions	(167)	(162)
Benefits paid from plan	(2,487)	(2,588)
Expenses paid	(94)	(70)
At 31 December	56,107	58,390

The actual return on scheme assets over the year was £447,000 (2014 £5,053,000). The cumulative amount of actuarial gains and losses recognised in other comprehensive income since the date of transition to IFRS is a loss of £6,758,000 (2014 £6,725,000). The five year history of experience adjustments is as follows

	2015 £m	2014 £m	2013 £m	2012 £m	2011 £m
Fair value of scheme assets	56.1	58.4	56.1	56.6	52.4
Present value of defined benefit obligations	(50.9)	(53.7)	(48.6)	(48.9)	(44.8)
Irrecoverable surplus	(4.2)	(3.4)	(5.8)	(5.7)	(2.3)
Surplus in the scheme	1.0	1.3	1.7	2.0	5.3
Experience adjustments on scheme assets	(1.5)	2.6	-	4.3	(0.5)
Percentage of scheme assets	-3%	4%	0%	8%	-1%
Experience adjustments on scheme liabilities	(0.1)	-	-	(0.8)	0.8
Percentage of scheme liabilities	0%	0%	0%	-2%	2%

At 31 December 2015 £24,000 of money purchase contributions had not yet been transferred to the pension provider

28 Accounting policies

Robinson plc is a company incorporated in the United Kingdom under the Companies Acts. The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. All standards and interpretations that have been issued and are effective at the year end have been applied in the financial statements. The financial statements have been prepared under the historical cost convention adjusted for the revaluation of certain properties. No other accounting standards coming into effect in the year have had any effect on the financial statements.

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.

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 year end. 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 disposal of a foreign subsidiary the accumulated exchange difference in relation to the operation are reclassified into the income statement.

Notes to the financial statements

28 Accounting policies (continued)

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 machinery	5% - 33%

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

Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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.

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 substantively 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.

28 Accounting policies (continued)

Notes to the financial statements

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.

Operating Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report.

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 2015 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 27.

New international accounting standards and interpretations not yet adopted

The following standards became effective or were amended in the current period:

IAS 19 "Employee benefits (amended)", and
IFRS 9 "Financial Instruments" (amended)"

Adoption of the above standards has not had a material impact on the Accounts of the Group.

At the date of authorisation of these Accounts, the following significant standards and interpretations, which have not been applied in these Accounts, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

IAS 1 "Disclosure initiative" – effective for accounting periods beginning on or after 1 January 2016,
IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation" – effective for accounting periods beginning on or after 1 January 2016,
IAS 27 (amendments) "Equity Method in Separate Financial Statements" – effective for accounting periods beginning on or after 1 January 2016,
IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2018, and
IFRS 15 "Revenue from Contracts with Customers" – effective for accounting periods beginning on or after 1 January 2018.

The directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Group in future periods.

Five Year Record (unaudited)

Year ended 31 December	2011 £'000	2012 £'000	2013 £'000	2014 £'000	2015 £'000
Income statement (continuing operations)					
Revenue	21,516	21,171	23,329	28,071	29,138
Gross profit	4,768	5,030	5,181	6,402	6,995
Operating profit before exceptional items	2,131	2,426	2,322	2,520	2,407
Exceptional items	-	(83)	1,054	(364)	(1,694)
Operating profit	2,131	2,343	3,376	2,156	713
Interest	(9)	1	10	(79)	(92)
Finance income in respect of Pension Fund	550	474	307	342	153
Profit before taxation	2,672	2,818	3,693	2,419	774
Taxation	(779)	(723)	(599)	(418)	(679)
Dividends	(512)	(558)	(662)	(755)	(837)
Retained profit/(loss)	1,381	1,537	2,432	1,246	(742)
Net assets excluding pension asset after deduction of related deferred tax	17,718	19,329	21,902	22,520	21,471
Depreciation	1,061	892	969	1,176	1,423
EBITDA (earnings before interest, tax depreciation and amortisation)	3,192	3,235	4,345	3,332	2,136
Operating profit revenue	9.9%	11.1%	14.8%	7.7%	2.4%
Return on shareholders' funds	10.7%	10.8%	14.0%	10.5%	8.3%
Basic earnings per share	11.9p	13.1p	19.2p	12.4p	0.6p

The income statement excludes the discontinued operations in all years

Report on corporate governance and social responsibility

The Company is committed to high standards of corporate governance in keeping with its size. Although not required to, the directors have decided to provide selected disclosures regarding corporate governance that they believe are valuable for readers of the financial statements.

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 Directors, 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, two other Non-executive Directors, 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 the Finance Director (Guy Robinson). 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

Richard joined the Robinson Board in May 2004. From 1977 he was employed by the Dalgety Group and was appointed Group Chief Executive of Dalgety Plc in 1993. From 1998 to 2006 he served as Chief Executive of PGI Group Plc and also as non-executive director of Granada Plc from 1995 to 2004. Richard is currently Chairman of AquaBounty Technologies Inc. and is a member of the Advisory Board of Boardroom Review.

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.

Alan Raleigh, Non-executive Director

Alan is a Chartered Engineer who joined the Board in August 2015. After gaining a BSc in Production Engineering and Production Management from Strathclyde University he has spent his entire career to date at Unilever plc holding a variety of senior positions. He is currently the Executive Vice President, Personal Care and brings experience in highly relevant sectors to the Board.

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 and social responsibility

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. 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 very 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 publish a Group magazine every 6 months that is distributed to all employees and pensioners. We have a Group welfare officer, who inter alia looks after the foundation club (for retired employees), a visitors' panel and the annual pensioners' party.

Products

We aim to produce our products in a responsible manner, using innovative design and manufacturing to meet our customers' requirements with minimum adverse impact on the environment. We work with our customers and suppliers to ensure 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.

Places

We want our manufacturing processes to have as minimal impact on the environment as possible. You will see from the Strategic report that we measure a number of indicators 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.