



**ROBINSON PLC**  
**2016 FINANCIAL STATEMENTS**

**Registered Number: 39811**

## CONTENTS

|   | Pages   |
|---|---------|
| <b>Activities</b>   | 3       |
| <b>Highlights</b>   | 4       |
| <b>Chairman's report</b>  | 5       |
| <b>Strategic report</b>   | 6 – 7   |
| <b>Directors' report</b>  | 8 – 10  |
| <b>Report of the independent auditor</b>                        | 11      |
| <b>Group income statement</b>                                   | 12      |
| <b>Group statement of comprehensive income</b>                  | 12      |
| <b>Statement of financial position</b>                          | 13      |
| <b>Statement of changes in equity</b>                           | 14      |
| <b>Statement of cash flows</b>                                  | 15      |
| <b>Notes to the financial statements</b>                        | 16 – 31 |
| <b>Five year record</b>   | 32      |
| <b>Report on corporate governance and social responsibility</b> | 33 – 34 |
| <b>Form of Proxy</b>  | 35      |
| <b>AGM attendance form</b>                                      | 36      |
| <b>Notice of AGM</b>  | 37      |

## DIRECTORS AND ADVISERS

|                                 |   |
|---------------------------------|---|
| <b>Directors</b>                | Richard John Clothier – <i>Non-executive Chairman</i><br>Adam Jonathan Formela – <i>Chief Executive</i><br>Charles William Guy Robinson – <i>Finance Director</i><br>Charles Compton Anthony Glossop – <i>Non-executive Director</i><br>Alan McLean Raleigh – <i>Non-executive Director</i> |
| <b>Registered Office</b>        | Field House, Wheatbridge, Chesterfield, S40 2AB   |
| <b>Nominated Adviser/Broker</b> | FinnCap, 60 New Broad Street, London EC2M 1JJ   |
| <b>Solicitor</b>                | DLA Piper UK LLP, 1 St Paul's Place, Sheffield, S1 2JX  |
| <b>Auditor</b>                  | Deloitte LLP, 1 City Square, Leeds, LS1 2AL   |
| <b>Registrar</b>                | Neville Registrars Ltd, 18 Laurel Lane, Halesowen, B63 3DA  |
| <b>Banker</b>                   | Lloyds Bank<br>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 & drink, toiletries & cosmetics and household sectors. Our packaging solutions have been used by our customers to differentiate their brands in the UK and internationally for over 175 years. The principal activity of Robinson plc (the company) is provision of central services to the Group.

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.

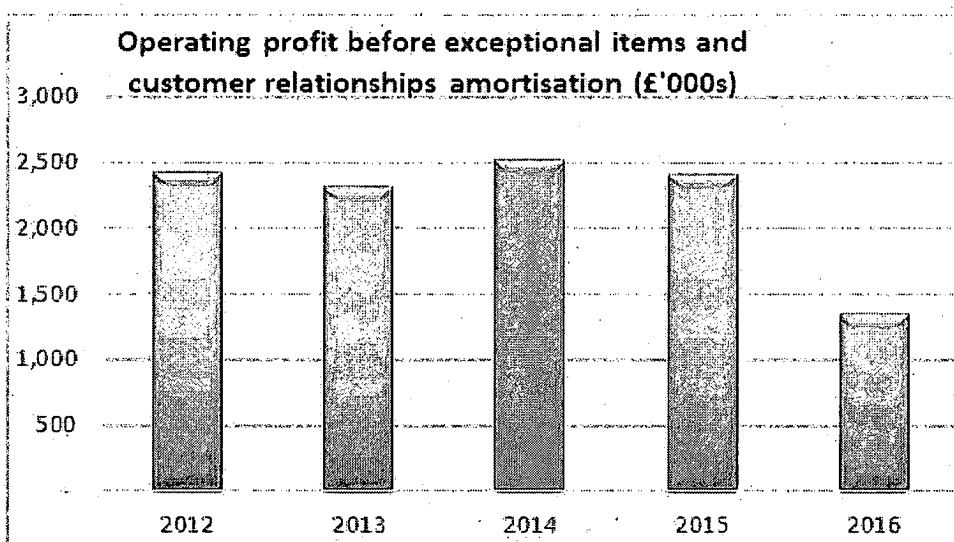
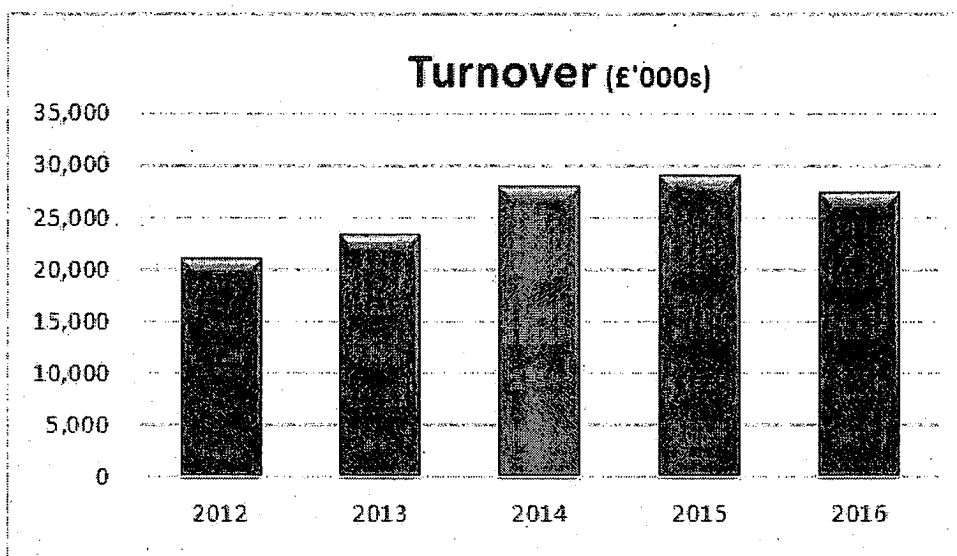
Our customers include Proctor & Gamble, McBride, SC Johnson, Sonoco, Bakkavor, British pepper & Spice, Two Sisters, Nestle, Avon, Reckitt Benckiser, Kraft, Quaker Oats, Mars, Dr Oetker, Fiddes Payne, Tomil, Global Cosmed, PCC Kosmet and Gold Drop.

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

Our manufacturing plants are described below:

|                  |  |
|------------------|--|
| Kirkby, UK       | focused primarily on the food & drink sector serving international blue chip customers with custom injection moulded packaging solutions                             |
| Stanton, UK      | specialist injection moulded devices primarily for international toiletries & cosmetics branded customers  |
| Lodz, Poland     | injection moulded solutions for many of our blue chip customers who have operations in the region  |
| Warsaw, Poland   | our Madrox business, acquired in 2014, manufactures blow and injection moulded products primarily for the toiletries & cosmetics and household sectors in the region |
| Chesterfield, UK | rigid paperboard boxes primarily for the food & drink and gifting sectors  |

## Highlights



- Revenue decreased by 6% to £27.5 m (2015: £29.1m)
  - £0.8m increase due to foreign exchange movements
  - Volumes down 8%
- As a result of the above, operating profit before exceptional items reduced by £1.4m (2015: £2.4m)
- Final Madrox earn out paid (£4.3m) resulting in net borrowings of £4.9m at the year end
- Post period end, outline planning permission for two significant development sites
- The Board is recommending a final dividend for the year of 3.0p per share (2015:3.0p) - the total dividend declared in respect of 2016 is 5.5p (2015:5.5p)

## Chairman's report

Although we anticipated a difficult market in 2016, we had expected growth from new business in the pipeline. In the event, new product introductions were delayed by our customers and, with the full year effect of previously reported lost business, overall sales volumes declined. At the same time we had undertaken a strengthening of our management team to deliver future growth which has inevitably resulted in higher operating costs. There is, however, continued optimism that the new business won will return the business to growth in 2017.

### Revenues

Revenues were £27.5m for the year, which represents a 6% decrease on the previous year after benefitting from a £0.8m effect of favourable exchange rates. Volumes were 8% lower, mainly attributable to the previously reported lost contracts and lower demand for certain categories of branded goods. After its losses of custom in 2015, the Lodz business returned to growth and it was the UK that accounted for the reduction in 2016.

### Profits

The gross margin decreased from 24% to 23% as the lost business had been at higher margins and costs had been increased in anticipation of new business being brought on stream. Operating costs increased by £0.3m, driven mainly by investment in sales personnel. The operating profit before amortisation and exceptional items decreased from £3.2m to £2.1m. The charge relating to ongoing amortisation of the value attributed to acquired customer relationships amounted to £0.8m bringing the operating profit before exceptional items to £1.4m (2015: £2.4m). There were exceptional gains mainly from the sale of properties amounting to £0.2m (2015 exceptional cost of £1.7m, relating to acquisition of Madrox). The profit before tax was £1.6m (2015: £0.8m).

### Operations

The previous owners of Madrox left the business in March following the earn-out year and we have put in place new personnel to run these operations and in the process established a single management team for the Polish operations comprising the Lodz and Warsaw factories where the group standard operating systems have now been introduced. Significant new business gained during the year is expected to grow this business in 2017. In the UK, a new commercial director joined in December to drive profitable sales growth and we continue to focus on improving operational efficiencies with integration of management and rationalisation of manufacturing between our two main sites.

### Cash, finances, dividend and pension

The main impact on cash in the year was the payment of the Madrox earn-out (£4.3m). The net cash generated from operating activities was £2.6m. The earn-out added to investment in plant & machinery of £1.8m meant that borrowings increased from £1.1m to £4.9m. After payment of the dividend of £0.8m, the translation adjustment to foreign asset values and the elimination of the pension asset (which we have held on the balance sheet for several years), shareholders' funds reduced by £2.0m to £22.6m. 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 2017 (2016 3.0p) to shareholders on the register at the close of business on 19 May 2017. The ordinary shares become ex-dividend on 18 May 2017. This brings the total dividend declared in respect of 2016 to 5.5p per share (2015: 5.5p). Given the low level of gilt yields and the likely impact this will have on the Group Pension fund actuarial valuation in April 2017, the pension asset (net of related deferred tax) has been reduced to nil (2015: £3.1m).

### Property

In January 2017, outline planning permission was granted for the development of two significant sites owned by the Group that are surplus to our requirements. Boythorpe Works is 16 acres of brownfield land targeted for residential development. Walton Works is 8 acres of brownfield land with approval for 3,000m<sup>2</sup> of retail stores, 1.5 acres residential and conversion of the grade II\* listed Walton Mill for mixed retail and residential use. The Group is currently working with partners to find prospective tenants, develop detailed plans and sell the sites. Proceeds from the eventual sale will be used to finance the expansion of the operations and reduce debt.

### Outlook

The general economic conditions suggest another challenging year ahead with continued pressure on consumer product brands and the UK retail sector. Continued investment in both personnel and equipment are leading to significant additional expenditure in 2017, justified by new business, some of which is already coming on stream. We remain on track to deliver revenue growth in 2017.

**Richard Clothier**

Chairman

23 March 2017

## 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 consumer market sectors including food & drink, toiletries & cosmetics and household.

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

| Indicator              | 2016   | 2015   | 2014   | Measure   |
|------------------------|--------|--------|--------|---|
| Revenue (£'000)        | 27,459 | 29,138 | 28,071 |   |
| Profitability ratios:  |        |        |        |   |
| Gross margin           | 23%    | 24%    | 23%    | Gross profit as a percentage of revenue                                   |
| Trading margin         | 5%     | 8%     | 9%     | Operating profit before exceptional items as a percentage of revenue      |
| Working capital levels | 29%    | 27%    | 29%    | Inventory + trade receivables - trade payables as a percentage of revenue |

Group revenue fell by 6% to £27.5m due to a fall in volumes of 8%.

The gross margin fell as business that was lost was at higher margins. The trading margin was reduced further by the extra costs in anticipation of new business. Working capital levels have grown due to an increase in year-end stock levels, largely driven by new business requirements.

In our measures of environmental impact, the trend this year has been slightly adverse. However, the Group is committed to making sustainable improvements to the design, manufacture and distribution of products. The following indicators are used by the Group to measure its progress in achieving this objective:

| Indicator                       | 2016   | units<br>per<br>£'000<br>revenue | 2015   | units<br>per<br>£'000<br>revenue | 2014   | units<br>per<br>£'000<br>revenue |
|---------------------------------|--------|----------------------------------|--------|----------------------------------|--------|----------------------------------|
| Electricity consumed ('000 kwh) | 19,431 | 0.708                            | 19,345 | 0.664                            | 16,710 | 0.595                            |
| Waste to recycling (tonnes)     | 394    | 0.014                            | 326    | 0.011                            | 411    | 0.015                            |
| Waste to landfill (tonnes)      | 156    | 0.006                            | 140    | 0.005                            | 141    | 0.005                            |

There has been a small overall increase in electricity consumption despite the lower volumes because of change in the sales mix.

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

|                      | 2016 | 2015 | 2014 |
|----------------------|------|------|------|
| Lost time accidents  | 1    | 1    | -    |
| Reportable accidents | -    | 1    | 3    |

### Growth

The Group targets 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 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 2016 of £6.6m. 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 3 years. The annual gross rental income earned during the year was £0.4m representing an 8% yield. The intention of the Group is, over time, to realise the maximum value from 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 previously 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.

## Strategic report

### Pension Fund

The Group had a surplus in its defined benefit scheme fund at the last actuarial valuation (2014). This scheme was closed to new entrants in 1997 and the intention is to buy out the liabilities when market conditions allow. The next actuarial valuation is due as at 5 April 2017 and we do not expect there to be a surplus in the fund.

### 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 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**  
Company Secretary  
23 March 2017

## Directors' report

The directors present their report and the audited financial statements of the Group for the year ended 31 December 2016. 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 2017 to shareholders on the register on 18 May 2017.

### Directors and directors' interests

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

|                  | 31 December 2016 | 31 December 2015 |
|------------------|------------------|------------------|
| Richard Clothier | 37,882           | 34,976           |
| Adam Formela     | 200,803          | 200,803          |
| Anthony Glossop  | 196,922          | 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 in respect of their duties as directors 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. Further details concerning directors are provided in the Report on Corporate Governance.

### Remuneration Policy

The Group 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.

### Directors' Service Contracts

The Executive Directors have service contracts with the Company. The Non-Executive Directors do not have service contracts with the Company. The remuneration of Non-Executive Directors is determined 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 | 2016 Total | 2015 Total |
|------------------|---------------------------|------------|-----------------------|------------|------------|
| Richard Clothier | 56                        | -          | -                     | 56         | 56         |
| Anthony Glossop  | 45                        | -          | -                     | 45         | 40         |
| Adam Formela     | 219                       | -          | 45                    | 264        | 349        |
| Alan Raleigh     | 40                        | -          | -                     | 40         | 20         |
| Guy Robinson     | 154                       | -          | -                     | 154        | 202        |
| <b>2016</b>      | <b>514</b>                | <b>-</b>   | <b>45</b>             | <b>559</b> |            |
| <b>2015</b>      | <b>479</b>                | <b>145</b> | <b>43</b>             |            | <b>667</b> |

### 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.

### 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<br>31-Mar-10 | Granted<br>04-May-11 | Exercised in<br>2013 | Granted<br>07-Apr-14 | Outstanding<br>31-Dec-16 |
|--|----------------------|----------------------|----------------------|----------------------|--------------------------|
| 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<br>(weighted average) |                      |                      |                      |                      | 5 years                  |

Generally, the share options may be exercised in whole or in part at any time between the third and tenth anniversary of 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 2016 was 129.5p 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 considered 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 aptitudes and abilities and the responsibility and physical demands of the job. Disabled employees are provided with equal opportunities about 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 financial 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 one 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. There is little trade between the UK and Poland.

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

Further details are given in note 22 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 2017. 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.

### Future developments

See the Chairman's report for an update on future developments.

### Subsequent events

There have been no events since the balance sheet date that would have had a material impact on the financial statements.

## Directors' report

### Capital structure

As set out in note 20, 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 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 2016 were:

|                         | Total     | %     |
|-------------------------|-----------|-------|
| C B Robinson (deceased) | 1,762,100 | 10.7% |
| C W G Robinson          | 889,500   | 5.4%  |
| S J Robinson            | 751,285   | 4.6%  |
| 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**  
Company Secretary  
23 March 2017

## 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 2016 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 27. 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 2016 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.

### Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 27 to the financial statements, the group in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB). In our opinion the group financial statements comply with IFRSs as issued by the IASB.

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

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

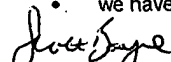
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

### 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.

  
Scott Bayne FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, UK 23 March 2017  
23 March 2017

## Group income statement

|   | Notes | 2016<br>£'000   | 2015<br>£'000 |
|---|-------|-----------------|---------------|
| Continuing operations                                   |       |                 |               |
| <b>Revenue</b>  | 1     | <b>27,459</b>   | 29,138        |
| <b>Cost of sales</b>                                    |       | <b>(21,201)</b> | (22,143)      |
| <b>Gross profit</b>                                     |       | <b>6,258</b>    | 6,995         |
| Operating costs   | 2     | (4,120)         | (3,805)       |
| Amortisation of intangible asset                        | 11    | (783)           | (783)         |
| <b>Operating profit before exceptional items</b>        |       | <b>1,355</b>    | 2,407         |
| Exceptional items                                       | 3     | 190             | (1,694)       |
| <b>Operating profit after exceptional items</b>         |       | <b>1,545</b>    | 713           |
| Finance income - interest receivable                    |       | 6               | 12            |
| Finance costs - bank interest payable                   |       | (122)           | (104)         |
| Finance income in respect of pension fund               | 26    | 189             | 153           |
| <b>Profit before taxation</b>                           | 4     | <b>1,618</b>    | 774           |
| Taxation  | 6     | (390)           | (679)         |
| <b>Profit attributable to the owners of the Company</b> |       | <b>1,228</b>    | 95            |
| <b>Basic earnings per share</b>                         | 8     | <b>7.5p</b>     | 0.6p          |
| <b>Diluted earnings per share</b>                       | 8     | <b>7.3p</b>     | 0.6p          |

## Group statement of comprehensive income

|  | Notes | 2016<br>£'000  | 2015<br>£'000 |
|--|-------|----------------|---------------|
| <b>Profit for the year</b>   |       | <b>1,228</b>   | 95            |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>               |       |                |               |
| Remeasurement of net defined benefit liability   | 26    | (3,774)        | (33)          |
| Deferred tax relating to items not reclassified  | 16    | 683            | 85            |
|  |       | <b>(3,091)</b> | 52            |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                    |       |                |               |
| Exchange differences on translation of foreign operations                                |       | 766            | (375)         |
| <b>Other comprehensive expense for the year</b>  |       | <b>(2,325)</b> | (323)         |
| <b>Total comprehensive income for the year attributable to the owners of the Company</b> |       | <b>(1,097)</b> | (228)         |

Notes 1 to 27 form an integral part of the financial statements.

## Statement of financial position

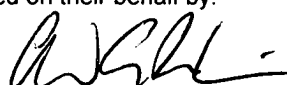
|  |       | Group           |                 | Company         |                 |
|--|-------|-----------------|-----------------|-----------------|-----------------|
|  | Notes | 2016            | 2015            | 2016            | 2015            |
|  |       | £'000           | £'000           | £'000           | £'000           |
| <b>Non-current assets</b>                  |       |                 |                 |                 |                 |
| Goodwill                                   | 10    | 1,115           | 1,264           | -               | -               |
| Other intangible assets                    | 11    | 5,872           | 6,655           | -               | -               |
| Property, plant and equipment              | 12    | 14,834          | 14,152          | 8,828           | 8,836           |
| Investments in subsidiaries                | 13    | -               | -               | 19,429          | 18,920          |
| Deferred tax asset                         | 16    | 188             | 133             | 467             | -               |
| Pension asset                              | 26    | -               | 3,747           | -               | 3,747           |
|  |       | 22,009          | 25,951          | 28,724          | 31,503          |
| <b>Current assets</b>                      |       |                 |                 |                 |                 |
| Inventories                                | 14    | 2,471           | 2,072           | -               | -               |
| Trade and other receivables                | 15    | 8,722           | 8,882           | 1,233           | 1,281           |
| Corporation tax receivable                 |       | -               | 3               | 497             | 509             |
| Cash                                       |       | 881             | 4,688           | 1               | 2,249           |
|  |       | 12,074          | 15,645          | 1,731           | 4,039           |
| <b>Total assets</b>                        |       | <b>34,083</b>   | <b>41,596</b>   | <b>30,455</b>   | <b>35,542</b>   |
| <b>Current liabilities</b>                 |       |                 |                 |                 |                 |
| Trade and other payables                   | 17    | (4,518)         | (9,365)         | (8,455)         | (13,469)        |
| Corporation tax payable                    |       | (234)           | (153)           | -               | -               |
| Borrowings                                 | 18    | (5,570)         | (4,641)         | (4,885)         | (2,881)         |
|  |       | (10,322)        | (14,159)        | (13,340)        | (16,350)        |
| <b>Non-current liabilities</b>             |       |                 |                 |                 |                 |
| Borrowings                                 | 18    | (201)           | (1,132)         | -               | -               |
| Other payables                             | 17    | (78)            | (62)            | -               | -               |
| Deferred tax liabilities                   | 16    | (660)           | (1,503)         | -               | (225)           |
| Amounts due to group undertakings          |       | -               | -               | (5,553)         | (3,431)         |
| Provisions                                 | 19    | (185)           | (183)           | (185)           | (183)           |
|  |       | (1,124)         | (2,880)         | (5,738)         | (3,839)         |
| <b>Total liabilities</b>                   |       | <b>(11,446)</b> | <b>(17,039)</b> | <b>(19,078)</b> | <b>(20,189)</b> |
| <b>Net assets</b>                          |       | <b>22,637</b>   | <b>24,557</b>   | <b>11,377</b>   | <b>15,353</b>   |
| <b>Equity</b>                              |       |                 |                 |                 |                 |
| Share capital                              | 20    | 82              | 82              | 82              | 82              |
| Share premium                              |       | 610             | 610             | 610             | 610             |
| Capital redemption reserve                 |       | 216             | 216             | 216             | 216             |
| Translation reserve                        |       | 146             | (620)           | -               | -               |
| Revaluation reserve                        |       | 4,402           | 4,510           | 435             | 554             |
| Retained earnings                          |       | 17,181          | 19,759          | 10,034          | 13,891          |
| <b>Equity attributable to shareholders</b> |       | <b>22,637</b>   | <b>24,557</b>   | <b>11,377</b>   | <b>15,353</b>   |

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 amounted to £935,000 (2015: loss £3,124,000).

Notes 1 to 27 form an integral part of the financial statements. The financial statements were approved by the directors and authorised for issue on 23 March 2017. They were signed on their behalf by:

Adam Formela  
Director

Guy Robinson  
Director



## Statement of changes in equity

|  | Share<br>capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Translation<br>reserve<br>£'000 | Revaluation<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>£'000 |
|--|---------------------------|--------------------------------------|---|---------------------------------|---------------------------------|-------------------------------|----------------|
| <b>Group</b>   |                           |                                      |   |                                 |                                 |                               |                |
| At 1 January 2015  | 82                        | 610                                  | 216                                       | (245)                           | 4,463                           | 20,454                        | 25,580         |
| Profit for the year  |                           |                                      |   |                                 |                                 | 95                            | 95             |
| Other comprehensive expense  |                           |                                      |   | (375)                           |                                 | 52                            | (323)          |
| Transfer to revaluation reserves as a<br>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         |
| Profit for the year  |                           |                                      |   |                                 |                                 | 1,228                         | 1,228          |
| Other comprehensive income/(expense)                                       |                           |                                      |   | 766                             |                                 | (3,091)                       | (2,325)        |
| Transfer to revaluation reserves as a<br>result of property transactions   |                           |                                      |   |                                 | (123)                           | 123                           | -              |
| Tax on revaluation   |                           |                                      |   |                                 | 15                              | -                             | 15             |
| Total comprehensive income for the year                                    | -                         | -                                    | -   | 766                             | (108)                           | (1,740)                       | (1,082)        |
| Credit in respect of share based payments                                  |                           |                                      |   |                                 |                                 | 39                            | 39             |
| Dividends paid   |                           |                                      |   |                                 |                                 | (877)                         | (877)          |
| Transactions with owners   | -                         | -                                    |   |                                 |                                 | (838)                         | (838)          |
| At 31 December 2016  | 82                        | 610                                  | 216                                       | 146                             | 4,402                           | 17,181                        | 22,637         |
| <b>Company</b>   |                           |                                      |   |                                 |                                 |                               |                |
| At 1 January 2015  | 82                        | 610                                  | 216                                       | -                               | 548                             | 16,928                        | 18,384         |
| Loss for the year  |                           |                                      |   |                                 |                                 | (2,287)                       | (2,287)        |
| Other comprehensive expense  |                           |                                      |   |                                 |                                 | 52                            | 52             |
| Transfer to revaluation reserves as a<br>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         |
| Loss for the year  |                           |                                      |   |                                 |                                 | (58)                          | (58)           |
| Other comprehensive income   |                           |                                      |   |                                 |                                 | (3,091)                       | (3,091)        |
| Transfer from revaluation reserves as a<br>result of property transactions |                           |                                      |   |                                 | (130)                           | 130                           | -              |
| Tax on revaluation   |                           |                                      |   |                                 | 11                              | -                             | 11             |
| Total comprehensive income for the year                                    | -                         | -                                    | -   | -                               | (119)                           | (3,019)                       | (3,138)        |
| Credit in respect of share based payments                                  |                           |                                      |   |                                 |                                 | 39                            | 39             |
| Dividends paid   |                           |                                      |   |                                 |                                 | (877)                         | (877)          |
| Transactions with owners   | -                         | -                                    |   |                                 |                                 | (838)                         | (838)          |
| At 31 December 2016  | 82                        | 610                                  | 216                                       | -                               | 435                             | 10,034                        | 11,377         |

## Statement of cash flows

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2016           | 2015           | 2016           | 2015           |
|   | £'000          | £'000          | £'000          | £'000          |
| <b>Cash flows from operating activities</b>                   |                |                |                |                |
| Profit/(loss) for the year                                    | 1,228          | 95             | (58)           | (2,287)        |
| <b>Adjustments for:</b>                                       |                |                |                |                |
| Depreciation of property, plant and equipment                 | 1,385          | 1,423          | 264            | 259            |
| Profit on disposal of other plant and equipment               | (189)          | (16)           | (169)          | -              |
| Amortisation of goodwill and customer relationships           | 932            | 932            | -              | -              |
| Increase/(decrease) in provisions                             | 2              | (1)            | 2              | (1)            |
| Other finance income in respect of Pension Fund               | (189)          | (153)          | (189)          | (153)          |
| Finance costs   | 122            | 104            | 149            | 157            |
| Finance income  | (6)            | (12)           | (36)           | (26)           |
| Taxation charged  | 390            | 679            | (10)           | 115            |
| Other non-cash items:   |                |                |                |                |
| Pension current service cost and expenses                     | 162            | 200            | 162            | 200            |
| Charge for share options                                      | 39             | 38             | 39             | 38             |
| Operating cash flows before movements in working capital      | 3,876          | 3,289          | 154            | (1,698)        |
| (Increase)/decrease in inventories                            | (399)          | 563            | -              | -              |
| Decrease/(increase) in trade and other receivables            | 222            | 37             | 48             | (130)          |
| (Decrease)/increase in trade and other payables               | (499)          | 1,873          | (4,990)        | 1,004          |
| Cash (used in)/generated by operations                        | 3,200          | 5,762          | (4,788)        | (824)          |
| Corporation tax paid  | (446)          | (714)          | -              | (252)          |
| Interest paid   | (122)          | (104)          | (149)          | (157)          |
| <b>Net cash generated by/(used in) operating activities</b>   | <b>2,632</b>   | <b>4,944</b>   | <b>(4,937)</b> | <b>(1,233)</b> |
| <b>Cash flows from investing activities</b>                   |                |                |                |                |
| Interest received   | 6              | 12             | 36             | 26             |
| Deferred consideration paid on acquisition                    | (4,265)        | -              | -              | -              |
| Acquisition of plant and equipment                            | (1,782)        | (1,072)        | (451)          | (35)           |
| Proceeds on disposal of property, plant and equipment         | 481            | 16             | 364            | -              |
| <b>Net cash used in investing activities</b>                  | <b>(5,560)</b> | <b>(1,044)</b> | <b>(51)</b>    | <b>(9)</b>     |
| <b>Cash flows from financing activities</b>                   |                |                |                |                |
| Loans repaid  | (1,226)        | (908)          | -              | -              |
| Loans repaid by subsidiaries                                  | -              | -              | 1,613          | 3,900          |
| Dividends paid  | (877)          | (837)          | (877)          | (837)          |
| <b>Net cash (used in)/generated from financing activities</b> | <b>(2,103)</b> | <b>(1,745)</b> | <b>736</b>     | <b>3,063</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   | <b>(5,031)</b> | <b>2,155</b>   | <b>(4,252)</b> | <b>1,821</b>   |
| Cash and cash equivalents at 1 January                        | 825            | (1,330)        | (632)          | (2,453)        |
| <b>Cash and cash equivalents at 31 December</b>               | <b>(4,206)</b> | <b>825</b>     | <b>(4,884)</b> | <b>(632)</b>   |
| Cash  | 881            | 4,688          | 1              | 2,249          |
| Overdraft   | (5,087)        | (3,863)        | (4,885)        | (2,881)        |
| <b>Cash and cash equivalents at 31 December</b>               | <b>(4,206)</b> | <b>825</b>     | <b>(4,884)</b> | <b>(632)</b>   |

Notes 1 to 27 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:

|                | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000           | 2015<br>£'000 |
|----------------|---------------|---------------|-------------------------|---------------|
|                | Revenue       |               | Operating profit/(loss) |               |
| United Kingdom | 16,167        | 18,199        | 430                     | (378)         |
| EU             | 11,292        | 10,939        | 1,115                   | 1,091         |
|                | <b>27,459</b> | <b>29,138</b> | <b>1,545</b>            | <b>713</b>    |

Included in revenues arising from the EU are revenues from the Group's largest customer amounting to £2,867,000 (2015: £3,087,000). No other single customer contributed 10% or more to group revenue.

|                | Assets              |               | Liabilities     |                 |
|----------------|---------------------|---------------|-----------------|-----------------|
| United Kingdom | 20,658              | 26,946        | (7,531)         | (12,072)        |
| EU             | 13,425              | 14,650        | (3,915)         | (4,967)         |
|                | <b>34,083</b>       | <b>41,596</b> | <b>(11,446)</b> | <b>(17,039)</b> |
|                | Capital expenditure |               | Depreciation    |                 |
| United Kingdom | 1,277               | 318           | 693             | 775             |
| EU             | 505                 | 754           | 692             | 648             |
|                | <b>1,782</b>        | <b>1,072</b>  | <b>1,385</b>    | <b>1,423</b>    |

### 2 Operating costs

|   | 2016<br>£'000 | 2015<br>£'000 |
|---|---------------|---------------|
| Selling, marketing and distribution costs | 986           | 832           |
| Administrative expenses                   | 3,511         | 3,635         |
| Property rental income                    | (365)         | (408)         |
| Other income                              | (72)          | (75)          |
| Loss/(gain) on foreign exchange           | 60            | (179)         |
|   | <b>4,120</b>  | <b>3,805</b>  |

### 3 Exceptional items

|   | 2016<br>£'000 | 2015<br>£'000  |
|---|---------------|----------------|
| The following are items outside the normal course of business:    |               |                |
| Profit on disposal of properties                                  | 167           | -              |
| Costs relating to deferred consideration on acquisition of Madrox | 23            | (1,694)        |
|   | <b>190</b>    | <b>(1,694)</b> |



## Notes to the financial statements

### 4 Profit before taxation

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

|   | 2016<br>£'000 | 2015<br>£'000 |
|---|---------------|---------------|
| Amortisation and depreciation   | 2,168         | 2,206         |
| Gains on disposal of plant and equipment  | (22)          | (13)          |
| Gains on disposal of properties (see note 3)  | (167)         | -             |
| Loss/(gain) on foreign exchange movements   | 60            | (179)         |
| Fees payable to the Company's auditor for the audit of the Company's annual accounts        | 30            | 31            |
| Fees payable to the Company's auditor and their associates for other services to the Group: |               |               |
| - audit of Company's overseas subsidiaries  | 21            | 13            |
| Total audit fees  | 51            | 44            |
| - tax compliance services   | 8             | 9             |
| - tax advisory services   | -             | 5             |
| - other services  | 7             | 1             |
| Total non-audit fees  | 15            | 15            |
| Total auditor's remuneration  | 66            | 59            |
| Audit fees in respect of the Robinson pension scheme are charged to the scheme              | 5             | 3             |

### 5 Employee information

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

|                              | 2016<br>Number | 2015<br>Number |
|------------------------------|----------------|----------------|
| Group                        | 309            | 299            |
| Staff costs (for the above): | £'000          | £'000          |
| Wages and salaries           | 5,921          | 5,665          |
| Social security costs        | 694            | 635            |
| Pension costs                | 322            | 346            |
| Share based charges          | 39             | 38             |
|                              | 6,976          | 6,684          |
|                              | 2016<br>Number | 2015<br>Number |
| Company                      | 9              | 8              |
| Staff costs (for the above): | £'000          | £'000          |
| Wages and salaries           | 716            | 771            |
| Social security costs        | 106            | 93             |
| Pension costs                | 59             | 43             |
| Share based charges          | 39             | 38             |
|                              | 920            | 945            |

## Notes to the financial statements

### 6 Taxation

Current corporation tax is calculated at 20% (2015: 20.25%) of the estimated assessable profit for the year. In addition to the below, deferred tax of £683,000 (2015: £85,000) 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:

|   | 2016<br>£'000 | 2015<br>£'000 |
|---|---------------|---------------|
| Current tax   | 605           | 820           |
| Deferred tax  | (215)         | (141)         |
|   | <b>390</b>    | <b>679</b>    |
| Profit before taxation                                      | <b>1,618</b>  | <b>774</b>    |
| At the effective rate of tax of 20% (2015: 20.25%)          | <b>324</b>    | <b>157</b>    |
| Difference in rate on overseas taxation                     | 5             | (24)          |
| Items disallowable for tax                                  | (19)          | 410           |
| Depreciation on assets ineligible for capital allowances    | 18            | 14            |
| Prior year adjustments                                      | 103           | 115           |
| Book value of property disposals less than of capital gains | (34)          | -             |
| Other differences   | (7)           | 7             |
| Tax charge for the year                                     | <b>390</b>    | <b>679</b>    |

There are unrecognised capital losses carried forward of £690,000 (2015: £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 17% from 1 April 2020 has been announced. Accordingly, deferred tax balances have been revalued to the lower rate of 17% in these accounts to the extent that timing differences are expected to reverse after this date.

### 7 Dividends

|  | 2016<br>£'000 | 2015<br>£'000 |
|--|---------------|---------------|
| Ordinary dividend paid: 2015 final of 3p per share (2014: 2.75p per share) | 479           | 439           |
| 2016 interim of 2.5p per share (2015: 2.5p per share)                      | 398           | 398           |
|  | <b>877</b>    | <b>837</b>    |

The Directors have proposed a final dividend of 3p per share for 2016.

### 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 (£1,228,000; 2015: £95,000) divided by the weighted average number of shares in issue, net of treasury shares (16,394,304; 2015: 16,394,304; for diluted earnings per share 16,903,281; 2015: 16,960,230).

### 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                        | 226        |
| In the second to fifth years inclusive | 119        |
|  | <b>345</b> |

## Notes to the financial statements

### 10 Goodwill

| Group                                  | £'000 |
|--|-------|
| Cost                                   |       |
| At 1 January 2015 and 31 December 2016 | 1,487 |
| Accumulated impairment losses          |       |
| At 1 January 2015                      | 74    |
| Impairment losses for the year         | 149   |
| At 31 December 2015                    | 223   |
| Impairment losses for the year         | 149   |
| At 31 December 2016                    | 372   |
| Carrying amount                        |       |
| At 31 December 2016                    | 1,115 |
| At 31 December 2015                    | 1,264 |

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<br>£'000 |
|--|---------------------------------|
| Cost                                   |                                 |
| At 1 January 2015 and 31 December 2016 | 7,830                           |
| Amortisation                           |                                 |
| At 1 January 2015                      | 392                             |
| Charge for the year                    | 783                             |
| At 31 December 2015                    | 1,175                           |
| Charge for the year                    | 783                             |
| At 31 December 2016                    | 1,958                           |
| Carrying amount                        |                                 |
| At 31 December 2016                    | 5,872                           |
| At 31 December 2015                    | 6,655                           |

The amortisation period for customer relationships acquired is 10 years.

## Notes to the financial statements

### 12 Property, plant and equipment

| Group                       | Land and buildings<br>£'000 | Surplus properties<br>£'000 | Plant and machinery<br>£'000 | Assets under construction | Total<br>£'000 |
|-----------------------------|-----------------------------|-----------------------------|------------------------------|---------------------------|----------------|
| <b>Cost or deemed cost</b>  |                             |                             |                              |                           |                |
| At 1 January 2015           | 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         |
| Additions at cost           | 92                          | 415                         | 1,033                        | 242                       | 1,782          |
| Disposals                   | -                           | (195)                       | (326)                        | -                         | (521)          |
| Movement between categories | -                           | -                           | 115                          | (115)                     | -              |
| Reclassified to prepayments | -                           | -                           | -                            | (62)                      | (62)           |
| Exchange movement           | 511                         | -                           | 901                          | -                         | 1,412          |
| At 31 December 2016         | 9,014                       | 4,075                       | 21,685                       | 242                       | 35,016         |
| <b>Depreciation</b>         |                             |                             |                              |                           |                |
| At 1 January 2015           | 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         |
| Charge for year             | 246                         | -                           | 1,139                        | -                         | 1,385          |
| Disposals                   | -                           | -                           | (229)                        | -                         | (229)          |
| Exchange movement           | 100                         | -                           | 673                          | -                         | 773            |
| At 31 December 2016         | 1,926                       | 208                         | 18,048                       | -                         | 20,182         |
| <b>Net book value</b>       |                             |                             |                              |                           |                |
| At 31 December 2016         | 7,088                       | 3,867                       | 3,637                        | 242                       | 14,834         |
| At 31 December 2015         | 6,831                       | 3,647                       | 3,497                        | 177                       | 14,152         |
| <b>Company</b>              |                             |                             |                              |                           |                |
| <b>Cost or deemed cost</b>  |                             |                             |                              |                           |                |
| At 1 January 2015           | 3,200                       | 6,548                       | 284                          | -                         | 10,032         |
| Additions at cost           | -                           | -                           | 35                           | -                         | 35             |
| Disposals                   | -                           | -                           | -                            | -                         | -              |
| At 31 December 2015         | 3,200                       | 6,548                       | 319                          | -                         | 10,067         |
| Additions at cost           | -                           | 415                         | 36                           | -                         | 451            |
| Disposals                   | -                           | (195)                       | -                            | -                         | (195)          |
| At 31 December 2016         | 3,200                       | 6,768                       | 355                          | -                         | 10,323         |
| <b>Depreciation</b>         |                             |                             |                              |                           |                |
| At 1 January 2015           | 599                         | 133                         | 240                          | -                         | 972            |
| Charge for year             | 236                         | -                           | 23                           | -                         | 259            |
| Disposals                   | -                           | -                           | -                            | -                         | -              |
| At 31 December 2015         | 835                         | 133                         | 263                          | -                         | 1,231          |
| Charge for year             | 236                         | -                           | 28                           | -                         | 264            |
| At 31 December 2016         | 1,071                       | 133                         | 291                          | -                         | 1,495          |
| <b>Net book value</b>       |                             |                             |                              |                           |                |
| At 31 December 2016         | 2,129                       | 6,635                       | 64                           | -                         | 8,828          |
| At 31 December 2015         | 2,365                       | 6,415                       | 56                           | -                         | 8,836          |

At 31 December 2016 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 £798,000 (2015: £646,000); Company £798,000 (2015: £646,000). The Directors consider the fair value of the surplus properties held by the Group equates to a market value of £6.6m (2015: £4.6m).

## Notes to the financial statements

### 13 Investments in subsidiaries

| Company                    | Shares<br>in group<br>undertakings<br>£'000 | Loans<br>to group<br>undertakings<br>£'000 | Total<br>£'000 |
|----------------------------|---|--|----------------|
| <b>Cost</b>                |   |  |                |
| At 1 January 2015          | 1   | 25,787                                     | 25,788         |
| Repayments                 | -   | (3,938)                                    | (3,938)        |
| At 31 December 2015        | 1   | 21,849                                     | 21,850         |
| Exchange differences       | -   | 91   | 91             |
| At 31 December 2016        | 1   | 21,940                                     | 21,941         |
| <b>Amounts written off</b> |   |  |                |
| At 1 January 2015          | -   | 2,930                                      | 2,930          |
| Released                   | -   | -  | -              |
| At 31 December 2015        | -   | 2,930                                      | 2,930          |
| Released                   | -   | (418)                                      | (418)          |
| At 31 December 2016        | -   | 2,512                                      | 2,512          |
| <b>Net book value</b>      |   |  |                |
| At 31 December 2016        | 1   | 19,428                                     | 19,429         |
| At 31 December 2015        | 1   | 18,919                                     | 18,920         |

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    |
| 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 which is incorporated in Poland.

Madrox Spolka Akcyjna was merged with Robinson Packaging Polska Sp z o.o on 30 December 2016.

The registered address of all the companies is Field House, Wheatbridge, Chesterfield S40 2AB except for Robinson Packaging Polska Sp z o.o whose registered address is 238 Gen J Dabrowskiego Street, 93-231 Lodz, Poland. The percentage shareholding for all subsidiaries is 100% and all except Robinson Packaging Polska Sp z o.o are held directly.

## Notes to the financial statements

### 14 Inventories

|                                     | Group        |              |
|-------------------------------------|--------------|--------------|
|                                     | 2016         | 2015         |
|                                     | £'000        | £'000        |
| Raw materials                       | 1,472        | 1,321        |
| Work in progress                    | 56           | 52           |
| Finished goods and goods for resale | 943          | 699          |
|                                     | <b>2,471</b> | <b>2,072</b> |

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

In 2016, a total of £19,271,000 (2015: £20,189,000) cost of inventories was included in the income statement as an expense. This includes an amount of £40,000 resulting from the write-down of inventories (2015: £222,000) and £10,000 (2015: £21,000) resulting from the reversal of previous write-downs.

### 15 Trade and other receivables

|                                | Group        |              | Company      |              |
|--------------------------------|--------------|--------------|--------------|--------------|
|                                | 2016         | 2015         | 2016         | 2015         |
|                                | £'000        | £'000        | £'000        | £'000        |
| Trade receivables              | 7,892        | 8,442        | 223          | 421          |
| Receivables from subsidiaries  |              | -            | 740          | 697          |
| Other receivables              | 564          | 276          | 56           | 67           |
| Prepayments and accrued income | 266          | 164          | 214          | 96           |
|                                | <b>8,722</b> | <b>8,882</b> | <b>1,233</b> | <b>1,281</b> |

Including other receivables due in greater than one year

|   |     |   |   |
|---|-----|---|---|
| - | 100 | - | - |
|---|-----|---|---|

Receivables from one customer amounted to £924,000 at 31 December 2016 (2015: £1,135,000). The carrying value of trade or other receivables is considered a reasonable approximation of fair value.

The average credit period taken is 78 days (2015: 74 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 £26,000 (2015: £17,000) 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  |          |
|---|--------------|------------|----------|----------|
|   | 2016         | 2015       | 2016     | 2015     |
|   | £'000        | £'000      | £'000    | £'000    |
| Not more than 3 months                        | 1,096        | 744        | -        | -        |
| More than 3 months but not more than 6 months | 52           | 31         | -        | -        |
|   | <b>1,148</b> | <b>775</b> | <b>-</b> | <b>-</b> |

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  |          |
|-----------------------------------|-----------|-----------|----------|----------|
|                                   | 2016      | 2015      | 2016     | 2015     |
|                                   | £'000     | £'000     | £'000    | £'000    |
| At 1 January                      | 17        | 18        | -        | -        |
| Impairment losses recognised      | 9         | 4         | -        | -        |
| Amounts recovered during the year | -         | (5)       | -        | -        |
| <b>At 31 December</b>             | <b>26</b> | <b>17</b> | <b>-</b> | <b>-</b> |

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<br>tax<br>depreciation<br>£'000 | Short term<br>temporary<br>differences<br>£'000 | Fair<br>value<br>gains<br>£'000 | Pension<br>obligations<br>£'000 | Total<br>£'000 |
|---|---|---|---------------------------------|---------------------------------|----------------|
| <b>Group</b>                                  |   |   |                                 |                                 |                |
| At 1 January 2015                             | (112)                                       | 897   | 46                              | 765                             | <b>1,596</b>   |
| Charge to income                              | 33  | (164)   | -                               | (10)                            | <b>(141)</b>   |
| Charged through other<br>comprehensive income | -   | -   | (5)                             | (80)                            | <b>(85)</b>    |
| At 31 December 2015                           | (79)  | 733   | 41                              | 675                             | <b>1,370</b>   |
| Charge to income                              | 10  | (216)   | (16)                            | 7                               | <b>(215)</b>   |
| Charged through other<br>comprehensive income | -   | -   | (1)                             | (682)                           | <b>(683)</b>   |
| <b>At 31 December 2016</b>                    | <b>(69)</b>                                 | <b>517</b>                                      | <b>24</b>                       | <b>-</b>                        | <b>472</b>     |
| <b>Company</b>                                |   |   |                                 |                                 |                |
| At 1 January 2015                             | (7)   | (488)   | 31                              | 765                             | <b>301</b>     |
| Charge to income                              | 4   | 13  | -                               | (10)                            | <b>7</b>       |
| Charged through other<br>comprehensive income | -   | -   | (3)                             | (80)                            | <b>(83)</b>    |
| At 31 December 2015                           | (3)   | (475)   | 28                              | 675                             | <b>225</b>     |
| Charge to income                              | -   | (1)   | (15)                            | 7                               | <b>(9)</b>     |
| Charged through other<br>comprehensive income | -   | -   | (1)                             | (682)                           | <b>(683)</b>   |
| <b>At 31 December 2016</b>                    | <b>(3)</b>                                  | <b>(476)</b>                                    | <b>12</b>                       | <b>-</b>                        | <b>(467)</b>   |

Deferred tax has been provided at 17%. Certain deferred tax liabilities have been offset. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                        | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
|------------------------|---------------|---------------|---------------|---------------|
| Deferred tax liability | 660           | 1,503         | -             | 225           |
| Deferred tax asset     | (188)         | (133)         | (467)         | -             |
|                        | <b>472</b>    | <b>1,370</b>  | <b>(467)</b>  | <b>225</b>    |

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

### 17 Trade and other payables

|  | Group         |               | Company       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| Trade payables                             | 2,529         | 2,623         | 44            | 93            |
| Amounts due to subsidiaries                | -             | -             | 7,566         | 7,936         |
| Social security and other taxes            | 634           | 843           | 113           | 112           |
| Other creditors                            | 456           | 322           | 62            | 62            |
| Accruals and deferred income               | 977           | 5,639         | 670           | 5,266         |
|  | <b>4,596</b>  | <b>9,427</b>  | <b>8,455</b>  | <b>13,469</b> |
| Amount due for settlement within 12 months | <b>4,518</b>  | <b>9,365</b>  | <b>8,455</b>  | <b>13,469</b> |
| Amount due for settlement after 12 months  | <b>78</b>     | <b>62</b>     | <b>-</b>      | <b>-</b>      |

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. The movement in accruals and deferred income relates mainly to the payment of the Madrox deferred consideration in the year (£4.3m).

## Notes to the financial statements

### 18 Borrowings

|  | Group |       | Company |       |
|--|-------|-------|---------|-------|
|  | 2016  | 2015  | 2016    | 2015  |
| Held at amortised cost                     | £'000 | £'000 | £'000   | £'000 |
| Bank overdraft                             | 5,087 | 3,863 | 4,885   | 2,881 |
| Bank loan                                  | 684   | 1,910 | -       | -     |
|  | 5,771 | 5,773 | 4,885   | 2,881 |
| Amount due for settlement within 12 months | 5,570 | 4,641 | 4,885   | 2,881 |
| Amount due for settlement after 12 months  | 201   | 1,132 | -       | -     |

A bank overdraft facility 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 undrawn facility at 31 December 2016 was £1.4m.

### 19 Provisions for liabilities

| Group and Company   | Post-retirement benefits<br>£'000 |
|---------------------|-----------------------------------|
| At 1 January 2015   | 184                               |
| Utilised in year    | (1)                               |
| At 31 December 2015 | 183                               |
| Utilised in year    | 2                                 |
| At 31 December 2016 | 185                               |

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.

### 20 Share capital

|   | 2016<br>£'000 | 2015<br>£'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: 1,292,919 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.

### 21 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.



## Notes to the financial statements

### 22 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 €644,000 at 31 December 2016 (2015: €580,000). 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 |               |
|-----------------------------|----------------------|---------------|
|                             | 2016<br>£'000        | 2015<br>£'000 |
| Profit or loss for the year | (15)                 | 71            |
| Equity                      | (15)                 | 71            |

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 2016 would decrease by £57,000 (2015: £34,000) 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 2016 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       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2016<br>£'000 | 2015<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
| <b>Current within 12 months</b>         |               |               |               |               |
| Trade payables                          | 2,529         | 2,623         | 44            | 93            |
| Other financial liabilities             | 1,433         | 5,961         | 8,298         | 13,264        |
| Borrowings                              | 5,570         | 4,641         | 4,885         | 2,881         |
|   | <b>9,532</b>  | <b>13,225</b> | <b>13,227</b> | <b>16,238</b> |
| <b>Non-current later than 12 months</b> |               |               |               |               |
| Other financial liabilities             | -             | -             | 5,553         | 3,431         |
| Borrowings                              | 201           | 1,132         | -             | -             |
|   | <b>201</b>    | <b>1,132</b>  | <b>5,553</b>  | <b>3,431</b>  |

## Notes to the financial statements

### 22 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         |                 |
|--|----------------|-----------------|-----------------|-----------------|
|  | 2016           | 2015            | 2016            | 2015            |
|  | £'000          | £'000           | £'000           | £'000           |
| <b>Financial assets</b>                                  |                |                 |                 |                 |
| Loans and receivables:                                   |                |                 |                 |                 |
| Trade and other receivables                              | 8,456          | 8,718           | 1,019           | 1,185           |
| Cash   | 881            | 4,688           | 1               | 2,249           |
|  | <b>9,337</b>   | <b>13,406</b>   | <b>1,020</b>    | <b>3,434</b>    |
| <b>Financial liabilities measured at amortised cost:</b> |                |                 |                 |                 |
| Non-current:   |                |                 |                 |                 |
| Amounts due to group undertakings                        | -              | -               | (5,553)         | (3,431)         |
| Current:   |                |                 |                 |                 |
| Borrowings   | (5,771)        | (5,773)         | (4,885)         | (2,881)         |
| Trade and other payables                                 | (3,962)        | (8,584)         | (8,342)         | (13,357)        |
|  | <b>(9,733)</b> | <b>(14,357)</b> | <b>(18,780)</b> | <b>(19,669)</b> |
| <b>Net financial assets and liabilities</b>              | <b>(396)</b>   | <b>(951)</b>    | <b>(17,760)</b> | <b>(16,235)</b> |
| <b>Non-financial assets and liabilities</b>              | <b>23,033</b>  | <b>25,508</b>   | <b>29,137</b>   | <b>31,588</b>   |
| <b>Total equity</b>                                      | <b>22,637</b>  | <b>24,557</b>   | <b>11,377</b>   | <b>15,353</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 based on 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 adjusts 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.

### 23 Capital commitments

|   | Group |       | Company |       |
|---|-------|-------|---------|-------|
|   | 2016  | 2015  | 2016    | 2015  |
|   | £'000 | £'000 | £'000   | £'000 |
| Contracted but not provided in these financial statements | 53    | 349   | -       | -     |

### 24 Contingent liabilities

There were contingent liabilities at 31 December 2016 in relation to cross guarantees of bank overdrafts given by the Company on behalf of other Group undertakings. The amount guaranteed at 31 December 2016 was £5,601,000 (2015: £3,527,000). The directors have considered the fair value of the cross guarantee and do not consider this to be significant.

## Notes to the financial statements

### 25 Related parties

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

|  | 2016<br>£'000 | 2015<br>£'000 |
|--|---------------|---------------|
| Charges by the Company to its subsidiaries:  |               |               |
| Rent   | 318           | 318           |
| Management charges   | 302           | 222           |
| Interest   | 30            | 26            |
| Other charges (including costs incurred by the Company on behalf of its subsidiaries and subsequently recharged to them) | 5,744         | 5,773         |
|  | <b>6,394</b>  | <b>6,339</b>  |
| Charges by the subsidiaries to the Company (mainly costs incurred by them on behalf of the Company and recharged to it)  | 155           | 194           |
| Net balances due from subsidiaries outstanding at the year end   | <b>7,049</b>  | <b>7,552</b>  |

£6,020,000 of the charges in 2016 related to UK subsidiaries (2015: £6,088,000).

### 26 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 these financial statements by Mr. Andrew Allsopp FIA of Quattro Pensions and the key assumptions used were:

|                               | 2016  | 2015  |
|-------------------------------|-------|-------|
| Discount rate for liabilities | 2.60% | 3.70% |
| Expected rates of return:     |       |       |
| Equities                      | 5.40% | 5.40% |
| Gilts and bonds               | 2.30% | 3.40% |
| Real estate                   | 3.40% | 3.40% |
| Cash                          | 1.50% | 3.40% |
| Price inflation               | 3.40% | 3.00% |
| Salary inflation              | 3.70% | 3.30% |

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 £650,000 (2015: £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 2015 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:

|   | 2016 | 2015 |
|---|------|------|
| Life expectancy of 45 year old man at the age of 65 years   | 23.2 | 23.4 |
| Life expectancy of 45 year old woman at the age of 65 years | 25.4 | 25.6 |
| Life expectancy of 65 year old man at the age of 65 years   | 21.9 | 22.1 |
| Life expectancy of 65 year old woman at the age of 65 years | 23.9 | 24.1 |

If the life expectancy assumption was increased by 1 year, the liabilities would increase by approximately £1,600,000 (2015: £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 3.50%.

The market value of the assets less the present value of scheme liabilities, calculated based on 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

### 26 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. It is likely that the Escrow money will be returned to the fund and therefore it has been disclosed in cash as an asset of the pension scheme. The total set aside in the escrow account at 31 December 2016 amounted to £2,898,000 (2015: £2,699,000).

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

|                                     | 2016<br>£'000 | 2015<br>£'000 |
|-------------------------------------|---------------|---------------|
| Equities                            | 23,182        | 22,847        |
| Gilts and bonds                     | 31,230        | 26,662        |
| Real estate                         | 5,334         | 4,909         |
| Cash                                | 4,313         | 1,689         |
| Total market value of assets        | 64,059        | 56,107        |
| Present value of scheme liabilities | (58,879)      | (50,859)      |
| Surplus in the scheme               | 5,180         | 5,248         |
| Irrecoverable surplus               | (5,180)       | (4,200)       |
| Escrow account                      | -             | 2,699         |
| Pension asset                       | -             | 3,747         |

The following amounts were recognised in the income statement:

|   | 2016<br>£'000 | 2015<br>£'000 |
|---|---------------|---------------|
| Charged to operating profit                   |               |               |
| Current service cost - final salary section   | 90            | 106           |
| Expenses - final salary section               | 72            | 94            |
| Current service cost - money purchase section | 160           | 146           |
| Total operating charge                        | 322           | 346           |
| Charged to:                                   |               |               |
| Cost of sales                                 | 85            | 81            |
| Operating costs                               | 237           | 265           |
| Total operating charge                        | 322           | 346           |

The following amounts were recognised in other comprehensive income:

|  | 2016<br>£'000 | 2015<br>£'000 |
|--|---------------|---------------|
| Movement in irrecoverable surplus before deduction of escrow account             | (980)         | (794)         |
| Other actuarial (losses)/gains   | (2,794)       | 761           |
| Actuarial loss recognised in other comprehensive income before deferred taxation | (3,774)       | (33)          |

Movements in the defined benefit obligation were as follows:

|  | 2016<br>£'000 | 2015<br>£'000 |
|--|---------------|---------------|
| At 1 January   | 50,859        | 53,689        |
| Current service cost   | 90            | 106           |
| Interest cost  | 1,838         | 1,786         |
| Employee contributions   | 16            | 18            |
| Remeasurement DBO - actuarial loss/(gain) from financial items   | 7,797         | (2,114)       |
| Remeasurement DBO - actuarial loss/(gain) from demographic items | 746           | (139)         |
| Benefits paid  | (2,467)       | (2,487)       |
| At 31 December   | 58,879        | 50,859        |

## Notes to the financial statements

### 26 Pension asset (continued)

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

|  | 2016<br>£'000 | 2015<br>£'000 |
|--|---------------|---------------|
| At 1 January   | 56,107        | 58,390        |
| Employee contributions                               | 16            | 18            |
| Interest income on plan assets                       | 2,027         | 1,939         |
| Remeasurement of plan assets - actuarial gain/(loss) | 8,619         | (1,492)       |
| Employer contributions                               | (171)         | (167)         |
| Benefits paid from plan                              | (2,467)       | (2,487)       |
| Expenses paid  | (72)          | (94)          |
| At 31 December                                       | 64,059        | 56,107        |

The actual return on scheme assets over the year was £10,646,000 (2015: £447,000). The cumulative amount of actuarial gains and losses recognised in other comprehensive income since the date of transition to IFRS is a loss of £10,532,000 (2015: £6,758,000). The five year history of experience adjustments is as follows:

|  | 2016<br>£m | 2015<br>£m | 2014<br>£m | 2013<br>£m | 2012<br>£m |
|--|------------|------------|------------|------------|------------|
| Fair value of scheme assets                  | 64.1       | 56.1       | 58.4       | 56.1       | 56.6       |
| Present value of defined benefit obligations | (58.9)     | (50.9)     | (53.7)     | (48.6)     | (48.9)     |
| Irrecoverable surplus                        | (5.2)      | (4.2)      | (3.4)      | (5.8)      | (5.7)      |
| Surplus in the scheme                        | (0.0)      | 1.0        | 1.3        | 1.7        | 2.0        |
| Experience adjustments on scheme assets      | 8.6        | (1.5)      | 2.6        | -          | 4.3        |
| Percentage of scheme assets                  | 13%        | -3%        | 4%         | 0%         | 8%         |
| Experience adjustments on scheme liabilities | -          | (0.1)      | -          | -          | (0.8)      |
| Percentage of scheme liabilities             | 0%         | 0%         | 0%         | 0%         | -2%        |

At 31 December 2016 £24,000 of money purchase contributions had not yet been transferred to the pension provider.

### 27 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 and IFRS 10.

#### 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

### 27 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 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.

#### 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. Loans are measured initially at fair value and then subsequently at amortised cost using the effective interest rate method. The effective interest rate method is the rate that exactly discounts estimated future cash receipts through the expected life of the debt to the net carrying amount on initial recognition.

#### 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 can 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 money purchase section represent contributions payable during the year.

#### Operating Leases

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

#### 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. Further details are given in the Directors report on Page 8.

## Notes to the financial statements

### 28 Accounting policies (continued)

#### 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 based on 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.

#### 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.

#### Critical accounting judgements and key sources of estimation uncertainty

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 2016 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 26.

#### Amendments to IFRSs that are mandatorily effective for the current year

Amendments to IAS 1 "Disclosure initiative"

Annual improvements to IFRSs 2012-2014 cycle

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

#### New and revised IFRSs in issue but not yet effective

At the date of the 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 some had not yet been adopted by the EU:

IFRS 9 "Financial instruments" – no stated effective date

IFRS 15 "Revenue from contracts with customers" – effective for accounting periods beginning on or after 1 January 2018

IFRS 16 "Leases" – effective for accounting periods beginning on or after 1 January 2019

IFRS 2 (amendments) "Classification and measurement of share-based payment transactions" – effective for accounting periods beginning on or after 1 January 2018

IAS 7 "Disclosure initiative" – effective for accounting periods beginning on or after 1 January 2017

IAS 12 "Recognition of deferred tax assets for unrealised losses" – effective for accounting periods beginning on or after 1 January 2017

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group or company in future periods, except as noted below:

IFRS 9 will impact the measurement and disclosures of financial instruments;

IFRS 15 may have an impact on revenue recognition; and

IFRS 16 will have an impact on the reported assets, liabilities, income statement and cash flows of the Group. Furthermore, extensive disclosures will be required by IFRS 16.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

## Five Year Record (unaudited)

| Year ended 31 December  | 2012<br>£'000 | 2013<br>£'000 | 2014<br>£'000 | 2015<br>£'000 | 2016<br>£'000 |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>Income statement (continuing operations)</b>                                   |               |               |               |               |               |
| <b>Revenue</b>  | 21,171        | 23,329        | 28,071        | 29,138        | 27,459        |
| <b>Gross profit</b>   | 5,030         | 5,181         | 6,402         | 6,995         | 6,258         |
| <b>Operating profit before exceptional items</b>                                  | 2,426         | 2,322         | 2,520         | 2,407         | 1,355         |
| Exceptional items   | (83)          | 1,054         | (364)         | (1,694)       | 190           |
| <b>Operating profit</b>   | 2,343         | 3,376         | 2,156         | 713           | 1,545         |
| Interest  | 1             | 10            | (79)          | (92)          | (116)         |
| Finance income in respect of Pension Fund   | 474           | 307           | 342           | 153           | 189           |
| <b>Profit before taxation</b>   | 2,818         | 3,693         | 2,419         | 774           | 1,618         |
| Taxation  | (723)         | (599)         | (418)         | (679)         | (390)         |
| Dividends   | (558)         | (662)         | (755)         | (837)         | (877)         |
| <b>Retained profit/(loss)</b>   | 1,537         | 2,432         | 1,246         | (742)         | 351           |
| <b>Net assets excluding pension asset after deduction of related deferred tax</b> | 19,329        | 21,902        | 22,520        | 21,471        | 22,612        |
| Depreciation  | 892           | 969           | 1,176         | 1,423         | 1,385         |
| <b>EBITDA</b> (earnings before interest, tax, depreciation and amortisation)      | 3,235         | 4,345         | 3,332         | 2,919         | 3,713         |
| Operating profit:revenue  | 11.1%         | 14.8%         | 7.7%          | 2.4%          | 5.6%          |
| Basic earnings per share  | 13.1p         | 19.2p         | 12.4p         | 0.6p          | 7.5p          |

The income statement excludes 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 eight 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 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 many 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 Hons in Production Engineering and Production Management from Strathclyde University, he spent his career with Unilever plc holding a variety of senior positions in the UK, US and Japan. He was the Executive Vice President, Personal Care Supply Chain until 2016 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 considered 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 several 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.

## Form of proxy

### For use at the Annual General Meeting of Robinson plc convened for 11 May 2017 and any adjournments thereof.

I/We, (see note 1) (block capitals please).....(name)  
of .....(address)  
being a member of Robinson plc hereby appoint the Chairman of the Meeting\* or (see note 2)  
..... (name/address)  
or (see note 2) failing him/her..... (name/address)  
as my/our proxy to attend and vote in my/our name(s) and on my/our behalf at the Annual  
General Meeting of the Company to be held on 11 May 2017 and at any adjournment  
thereof.

This form is to be used in respect of the resolutions mentioned below as indicated. Where  
no instructions are given, the proxy may vote as he/she thinks fit or abstain from voting.

### **RESOLUTIONS:**

1. To adopt the Directors' Report and Financial Statements for the year ended 31 December 2016
2. To declare a final dividend of 3p per ordinary share
3. To re-elect Anthony Glossop as a director
4. To reappoint Deloitte LLP as auditor of the Company and to authorise the directors to determine their remuneration

|      |          |           |
|------|----------|-----------|
| *FOR | *AGAINST | *WITHHELD |
| *FOR | *AGAINST | *WITHHELD |
| *FOR | *AGAINST | *WITHHELD |
| *FOR | *AGAINST | *WITHHELD |

\*Please delete whichever is not desired or leave blank to allow your proxy to choose.

**Signature(s)**

**Dated**

### **NOTES**

1. The names of all registered holders should be stated in block capitals.
2. If it is desired to appoint a proxy other than the Chairman of the meeting, his/her name and address should be inserted, the reference to the Chairman deleted and the alteration initialled.
3. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.
4. In the case of joint holders, the signature of any one holder is sufficient, but the names of all joint holders must be stated. The vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the other votes of joint holders. For this purpose, seniority will be in the order in which the names appear in the register of members for the joint holding.
5. Unless otherwise indicated, or upon any matter properly before the meeting but not referred to above, the proxy may vote or abstain from voting as he/she thinks fit.
6. To be valid, Forms of Proxy must be deposited at the Registered Office of the Company, Field House, Wheatbridge, Chesterfield S40 2AB, not less than 48 hours before the time appointed for the meeting.

## AGM attendance form

### ANNUAL GENERAL MEETING – Thursday 11 May 2017

The Board very much hopes that you will be able to attend this year's Annual General Meeting, which will again be held at Chesterfield Football Club, 1866 Sheffield Road, Whittington Moor, Chesterfield, S41 8NZ at 11:30 am.

To assist with catering and arrangements, it would be helpful if you would complete and return this Attendance Form.

If you are appointing a proxy, then please ask your proxy to complete and return the form.

Thank you and we look forward to seeing you.

|   |    |          |
|---|----|----------|
| From:<br>Full Name in CAPITALS please ..... |    |          |
|   | Me | My Proxy |
| I shall be attending the AGM                |    |          |
| I shall be staying for the buffet lunch     |    |          |

*Please tick the appropriate boxes*

Signature ..... Date .....

Please return this form to:

Guy Robinson  
**Robinson plc**  
Field House  
Wheatbridge  
CHESTERFIELD  
S40 2AB  
UK

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Robinson plc will be held at Chesterfield Football Club, 1866 Sheffield Road, Whittington Moor, Chesterfield, S41 8NZ on Thursday 11 May 2017 at 11:30 am for the following purposes:-

### RESOLUTIONS

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. to receive and adopt the report of the directors and the audited financial statements for the year ended 31 December 2016
2. to declare a final dividend of 3p per ordinary share
3. to re-elect Anthony Glossop as a director of the Company
4. to re-appoint Deloitte LLP as auditors of the Company and to authorise the directors to determine their remuneration

To transact any other ordinary business of an annual general meeting.

By order of the Board

**Guy Robinson**

Director

13 April 2017

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.

To be valid, Forms of Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

Only those members in the register of members of the Company as at 11.30 am on 9 May 2017 or, if the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 11.30 am on 9 May 2017 or, if the meeting is adjourned, after 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.