

ROBINSON

Packaging Innovation

ROBINSON PLC 2017 FINANCIAL STATEMENTS

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15/06/2018
COMPANIES HOUSE

Registered Number: 39811

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DIRECTORS AND ADVISERS

Directors	Richard John Clothier – <i>Non-executive Chairman</i> Adam Jonathan Formela – <i>Chief Executive</i> Charles William Guy Robinson – <i>Finance Director</i> Charles Compton Anthony Glossop – <i>Non-executive Director</i> Alan McLean Raleigh – <i>Non-executive Director</i>
Registered Office	Field House, Wheatbridge, Chesterfield, S40 2AB
Nominated Adviser/Broker	FinnCap, 60 New Broad Street, London EC2M 1JJ
Solicitor	DLA Piper UK LLP, 1 St Paul's Place, Sheffield, S1 2JX
Auditor	Mazars LLP, 45 Church Street, Birmingham, B3 2RT
Registrar	Neville Registrars Ltd, 18 Laurel Lane, Halesowen, B63 3DA
Banker	HSBC, 1 Bond Court, Leeds, LS1 2JZ

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 178 years.

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

Our customers include Avon, McBride, Bakkavor, British Pepper & Spice, Fiddes Payne, Hain Daniels, Kraft, Nestle, Proctor & Gamble, Quaker Oats, Mars, Dr Oetker, Reckitt Benckiser, SC Johnson, Two Sisters and Unilever.

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 the ISO 9001 Quality Standard.

Our manufacturing plants are described below:

Kirkby, UK	Primarily focussed on innovative solutions for the food and drink markets manufacturing custom injection moulded packaging solutions. The majority of production from this unit serves the domestic UK food brands.
Stanton, UK	Manufactures high quality injection moulded specialist devices such as aerosol actuators. These products are produced mainly for international toiletries & cosmetics brands and are destined for both UK and international markets including Latin America and Asia.
Lodz, Poland	Manufactures high quality injection moulded solutions for many global branded customers serving the emerging Central European markets.
Warsaw, Poland	Manufactures blow and injection moulded products primarily for the toiletries & cosmetics and household sectors in the region.
Chesterfield, UK	The dedicated design and production centre for Robinson Paperbox Packaging – our rigid paper box business, serving domestic confectionary, food, electronics and cosmetic gifting markets.

Highlights

- Revenue increased by 9% to £29.8m (2016: £27.5m)
- Gross margin reduced from 23% to 19%
- Operating costs increased by £0.3m mainly because of investments in people
- Operating profit before exceptional items and amortisation of intangible assets reduced to £1.3m (2016: £2.1m)
- The Board recommends a final dividend for the year of 3.0p per share (2016: 3.0p) - the total dividend per share declared in respect of 2017 is 5.5p (2016: 5.5p)
- Triennial actuarial valuation of pension fund has concluded it remains in surplus.

Five year record

Year ended 31 December	2013 £'000	2014 £'000	2015 £'000	2016 £'000	2017 £'000
Income statement (continuing operations)					
Revenue	23,329	28,071	29,138	27,459	29,813
Gross profit	5,181	6,402	6,995	6,258	5,778
% of revenues	22%	23%	24%	23%	19%
Operating profit before exceptional items and amortisation of intangible asset	2,322	2,912	3,190	2,138	1,321
Exceptional items	1,054	(364)	(1,694)	190	65
Amortisation of intangible asset		(392)	(783)	(783)	(783)
Operating profit	3,376	2,156	713	1,545	603
Interest	10	(79)	(92)	(116)	(103)
Finance income in respect of Pension Fund	307	342	153	189	130
Profit before taxation	3,693	2,419	774	1,618	630
Taxation	(599)	(418)	(679)	(390)	(317)
Dividends	(662)	(755)	(837)	(877)	(901)
Retained profit/(loss)	2,432	1,246	(742)	351	(588)
Net assets excluding pension asset after deduction of related deferred tax	21,902	22,520	21,471	22,612	23,056
Depreciation	969	1,176	1,423	1,385	1,492
EBITDA (earnings before interest, tax, depreciation and amortisation)	4,345	3,332	2,919	3,713	2,878
Operating profit:revenue	14.8%	7.7%	2.4%	5.6%	2.0%
Basic earnings per share	19.2p	12.4p	0.6p	7.5p	1.9p

Chairman's report

The Board's medium-term plan to strengthen the capabilities of the business by recruitment of people and investing in manufacturing capability coincided in 2016 with the effects of the earlier loss of two major pieces of business. The resulting drop in revenues and increase in expenses has made 2017 a challenging transitional year, however, I am pleased to report that new business has been secured that has offset the previously lost trade and is the basis for growth that has started to come through.

Revenues

The 9% increase in revenues to £29.8m is mainly attributable to exchange rate movements and increased resin prices which are passed on to our customers. Nevertheless, there has been some increase in volumes as the new business came into production and this is expected to become more evident in 2018.

Profits

The gross margin reduced from 23% to 19%, partly because of the lag effect of increasing resin prices passed on to our customers but also because of higher input costs, partly driven by the weakness of sterling and adverse product mix. Operating expenses increased by 8% (£0.3m) reflecting the cost of the new people we have recruited to deliver business growth. The result of these two effects is a reduction in operating profit before exceptional items and amortisation of intangible assets from £2.1m to £1.3m.

Cash, finances, dividend and pension

There was a net decrease in cash and cash equivalents of £2.0m in the year as we invested £3.2m (2016: £1.8m) in new plant and equipment to support new business and maintained the dividend at £0.9m (2016: £0.9m). Borrowings ended the year at £6.7m (2016: £5.8m), safely within our £10m facility and shareholders' funds increased from £22.6m to £23.1m. The Board proposes a final dividend of 3.0p per share to be paid on 1 June 2018 (2017: 3.0p) to shareholders on the register at the close of business on 18 May 2018. The ordinary shares become ex-dividend on 17 May 2018. This brings the total dividend declared in respect of 2017 to 5.5p per share (2016: 5.5p). The triennial actuarial valuation of our pension fund as at 5 April 2017 showed a surplus of 2%, whilst the IAS19 valuation at the year-end reported a surplus of £8.5m (2016: £5.2m).

Property

Finding suitable buyers for the Boythorpe Works residential site and Walton Works mixed use site has been challenging in the current market. Large retail developments are now in low demand and residential development opportunities in the locality are in good supply.

Outlook

New business opportunities will require more investment in plant and, unless we achieve an early sale of surplus property, this will use more of our borrowing capacity. Higher earnings to justify this will be essential and we have work to do to achieve the efficiencies that are needed to restore margins to previous levels. This is receiving close attention and will take time but we do expect higher sales volume in 2018.



Richard Clothier
Chairman
22 March 2018

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 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	2017	2016	2015	Measure
Revenue (£'000)	29,813	27,459	28,071	
Profitability ratios:				
Gross margin	19%	23%	23%	Gross profit as a percentage of revenue
Trading margin	4%	8%	9%	Operating profit before exceptional items and amortisation as a percentage of revenue
Working capital levels	28%	29%	29%	Inventory + trade receivables - trade payables as a percentage of revenue

Group revenue increased by 9% to £29.8m due mainly to higher resin costs passed on and a favourable exchange rate. The gross margin fell, partly because of rising resin costs and unrecovered higher costs generally.

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	2017	units per £'000 revenue	2016	units per £'000 revenue	2015	units per £'000 revenue
Electricity consumed ('000 kwh)	20,343	0.682	19,431	0.708	19,345	0.705
Waste to recycling (tonnes)	439	0.015	394	0.014	326	0.012
Waste to landfill (tonnes)	96	0.003	156	0.006	140	0.005

There has been a small decrease in electricity consumption due to increased resin prices pushing up revenues.

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

	2017	2016	2015
Lost time accidents	3	1	1
Reportable accidents	3	-	1

Whilst there has been a small increase in the number of accidents, these were relatively minor and don't reflect a lack of determination towards safety at work.

The group employee gender diversity is as follows:

	Male	Female
Directors	5	
Employees in other senior executive positions	10	1
Total senior managers and directors of the group	15	1
Other employees of the group	200	97
Total employees of the group	215	98

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.

Strategic report

Property

The Group has surplus properties and other properties not used in the manufacture of packaging products with a total value at the end of 2017 of £6.6m (2016: £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 (2016: £0.4m) representing a 5% yield. The intention of the Group is, over time, to realise the maximum value from surplus properties via disposal 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.

Pension Fund

The Group had a surplus in its defined benefit scheme fund at the last actuarial valuation (5 April 2017). This scheme was closed to new entrants in 1997 and the intention is to buy out the liabilities when market conditions allow.

Risk and uncertainty

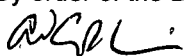
The directors have set in place a thorough risk management process that identifies the key risks faced by the Group and ensures that processes are adopted to monitor and mitigate such risks. The principal risks affecting the business and the Group's responses to these risks are:

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

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

- **Fluctuations in input prices.** Input prices such as plastic resin prices and electricity costs can fluctuate significantly. The Group seeks to structure contracts with customers 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 Polish Zloty and 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

Director

22 March 2018

Directors' Report

The directors present their report and the audited financial statements of the Group for the year ended 31 December 2017. 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 2018 to shareholders on the register on 18 May 2018.

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 2017	31 December 2016
Guy Robinson	1,159,635	889,500
Adam Formela	309,944	200,803
Anthony Glossop	196,922	196,922
Richard Clothier	54,548	37,822
Alan Raleigh	Nil	Nil

No director had any interest in the shares of any other Group company. The Group 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, Richard Clothier and Guy Robinson retire by rotation and offer themselves 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

	Salary & benefits-in-kind	Bonus	Company pension contributions	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000
A Formela	221		32	253	264
G Robinson	154			154	154
R Clothier	56			56	56
A Glossop	45			45	45
A Raleigh	40			40	40
2017	516	-	32	548	
2016	514	-	45		559

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 and other key managers. Details of outstanding share options on 0.5p ordinary shares are as follows:

	Granted 04-May-11	Granted 14-Nov-13	Granted 07-Apr-14	Granted 11-May-17	Outstanding 31-Dec-17
Adam Formela	450,000	140,056	99,256		689,312
Guy Robinson		140,056	67,494		207,550
Other key managers				133,000	133,000
	450,000	280,112	166,750	133,000	1,029,862
Weighted average price	69p	43p	202p	130p	91p
Contractual life outstanding (weighted average) - years					5

On 29 March 2017 Guy Robinson exercised 109,944 share options with an exercise price of 69p and Adam Formela exercised 109,141 share options with an exercise price of 43p. 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. 869,862 options were exercisable at the end of the period. The market value of the shares at 31 December 2017 was 100p 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.

The Group meets its day to day working capital requirements through an overdraft facility which is due for renewal in February 2019. 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 1,073,834 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 2017 were:

	total	%
C W G Robinson	1,159,635	7.0%
S J Robinson	751,285	4.5%
R B Hartley	654,191	3.9%
R A Shemwell	598,791	3.6%
S C Shemwell	534,091	3.2%
S E A Hardy	525,191	3.2%
H G Shaw	515,191	3.1%
J C Mansell	500,000	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 Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law. 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 Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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.

By order of the Board



Guy Robinson
Director
22 March 2018

Group income statement

	Note	2017 £'000	2016 £'000
Revenue	1	29,813	27,459
Cost of sales		(24,035)	(21,201)
Gross profit		5,778	6,258
Operating costs	2	(4,457)	(4,120)
Operating profit before exceptional items and amortisation of intangible assets		1,321	2,138
Exceptional items	3	65	190
Amortisation of intangible assets	11	(783)	(783)
Operating profit after exceptional items		603	1,545
Finance income - interest receivable		1	6
Finance costs - bank interest payable		(104)	(122)
Finance income in respect of pension fund	26	130	189
Profit before taxation	4	630	1,618
Taxation	6	(317)	(390)
Profit attributable to the owners of the Company		313	1,228
Basic earnings per share	8	1.9p	7.5p
Diluted earnings per share	8	1.9p	7.3p

Group statement of comprehensive income

	Note	2017 £'000	2016 £'000
Profit for the year		313	1,228
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liability	26	61	(3,774)
Deferred tax relating to items not reclassified	16	(11)	683
		50	(3,091)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		818	766
Other comprehensive expense for the year		868	(2,325)
Total comprehensive income for the year attributable to the owners of the Company		1,181	(1,097)

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

Statement of financial position

		Group		Company	
	Note	2017	2016	2017	2016
		£'000	£'000	£'000	£'000
Non-current assets					
Goodwill	10	1,115	1,115	-	-
Other intangible assets	11	5,089	5,872	-	-
Property, plant and equipment	12	17,011	14,834	9,649	8,828
Investments in subsidiaries	13	-	-	20,782	19,429
Deferred tax asset	16	95	188	503	467
		23,310	22,009	30,934	28,724
Current assets					
Inventories	14	2,838	2,471	-	-
Trade and other receivables	15	9,905	8,722	2,747	1,233
Deferred tax asset		-	-	-	497
Cash		283	881	148	1
		13,026	12,074	2,895	1,731
Total assets		36,336	34,083	33,829	30,455
Current liabilities					
Trade and other payables	17	(5,612)	(4,518)	(8,559)	(8,455)
Corporation tax payable		(250)	(234)	(8)	-
Borrowings	18	(6,662)	(5,570)	(2,021)	(4,885)
		(12,524)	(10,322)	(10,588)	(13,340)
Non-current liabilities					
Borrowings	18	-	(201)	-	-
Other payables	17	(87)	(78)	-	-
Deferred tax liabilities	16	(488)	(660)	-	-
Amounts due to group undertakings		-	-	(9,208)	(5,553)
Provisions	19	(181)	(185)	(181)	(185)
		(756)	(1,124)	(9,389)	(5,738)
Total liabilities		(13,280)	(11,446)	(19,977)	(19,078)
Net assets		23,056	22,637	13,852	11,377
Equity					
Share capital	20	83	82	83	82
Share premium		732	610	732	610
Capital redemption reserve		216	216	216	216
Translation reserve		964	146	-	-
Revaluation reserve		4,321	4,402	388	435
Retained earnings		16,740	17,181	12,433	10,034
Equity attributable to shareholders		23,056	22,637	13,852	11,377

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 tax amounted to £750,000 (2016: loss £58,000).

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 22 March 2018. They were signed on their behalf by:

Adam Formula
Director

Guy Robinson
Director



Statement of changes in equity

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Group							
At 1 January 2016	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 from revaluation reserve as a result of property transactions					(123)	123	-
Tax on revaluation					15		15
Credit in respect of share based payments						39	39
Total comprehensive income for the year	-	-	-	766	(108)	(1,701)	(1,043)
Dividends paid						(877)	(877)
Transactions with owners	-	-	-	-	-	(877)	(877)
At 31 December 2016	82	610	216	146	4,402	17,181	22,637
Profit for the year						313	313
Other comprehensive income/(expense)				818		50	868
Transfer to revaluation reserve as a result of property transactions					(81)	81	-
Credit in respect of share based payments						16	16
Total comprehensive income for the year	-	-	-	818	(81)	460	1,197
Shares issued	1	122					123
Dividends paid						(901)	(901)
Transactions with owners	1	122	-	-	-	(901)	(778)
At 31 December 2017	83	732	216	964	4,321	16,740	23,056
Company							
At 1 January 2016	82	610	216	-	554	13,891	15,353
Loss for the year						(58)	(58)
Other comprehensive expense						(3,091)	(3,091)
Transfer from revaluation reserve as a result of property transactions					(130)	130	-
Tax on revaluation					11		11
Credit in respect of share based payments						39	39
Total comprehensive income for the year	-	-	-	-	(119)	(2,980)	(3,099)
Dividends paid						(877)	(877)
Transactions with owners	-	-	-	-	-	(877)	(877)
At 31 December 2016	82	610	216	-	435	10,034	11,377
Loss for the year						(750)	(750)
Dividends received						3,937	3,937
Other comprehensive income						50	50
Transfer from revaluation reserves as a result of property transactions					(47)	47	-
Credit in respect of share based payments						16	16
Total comprehensive income for the year	-	-	-	-	(47)	3,300	3,253
Shares issued	1	122					123
Dividends paid						(901)	(901)
Transactions with owners	1	122	-	-	-	(901)	(778)
At 31 December 2017	83	732	216	-	388	12,433	13,852

The share premium account is the amount paid for shares issued in excess of the nominal value.

The capital redemption reserve represents the amount by which the Company's share capital has been diminished by the cancellation of shares held in treasury.

The retained earnings reserve represents the accumulated realised earnings from the prior and current periods as reduced by losses and dividends from time to time.

Exchange differences relating to the translation from the functional currencies of the group's foreign subsidiary from Polish Zloty are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of translation reserve.

The property revaluation reserve arises on the revaluation of land and buildings. Where revalued land or buildings are sold, the portion of the property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings. Land and buildings are held at deemed cost in the Group and at revalued amounts in the Company.

Statement of cash flows

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Profit/(loss) for the year	313	1,228	(750)	(58)
Adjustments for:				
Depreciation of property, plant and equipment	1,492	1,385	260	264
Profit on disposal of other plant and equipment	(85)	(189)	(82)	(169)
Impairment/amortisation of goodwill and customer relationships	783	932	-	-
Increase/(decrease) in provisions	(4)	2	(4)	2
Other finance income in respect of Pension Fund	(130)	(189)	(130)	(189)
Finance costs	104	122	180	149
Finance income	(1)	(6)	(34)	(36)
Taxation charged	317	390	108	(10)
Other non-cash items:				
Pension current service cost and expenses	191	162	191	162
Charge for share options	16	39	16	39
Operating cash flows before movements in working capital	2,996	3,876	(245)	154
(Increase)/decrease in inventories	(263)	(399)	-	-
(Increase)/decrease in trade and other receivables	(875)	222	571	48
Increase/(decrease) in trade and other payables	411	(499)	49	(4,990)
Cash generated by/(used in) operations	2,269	3,200	375	(4,788)
Corporation tax paid	(405)	(466)	(202)	-
Interest paid	(104)	(122)	(180)	(149)
Net cash generated by/(used in) operating activities	1,760	2,632	(7)	(4,937)
Cash flows from investing activities				
Interest (paid)/received	1	6	34	36
Deferred consideration paid on acquisition	-	(4,265)	-	-
Acquisition of plant and equipment	(2,614)	(1,782)	(25)	(451)
Proceeds on disposal of property, plant and equipment	151	481	132	364
Net cash used in investing activities	(2,462)	(5,560)	141	(51)
Cash flows from financing activities				
Loans repaid	(531)	(1,226)	-	-
Loans repaid by subsidiaries	-	-	3,655	1,613
Shares issued	123	-	123	-
Finance lease payments	(28)	-	-	-
Dividends paid	(901)	(877)	(901)	(877)
Net cash (used in)/generated from financing activities	(1,337)	(2,103)	2,877	736
Net decrease in cash and cash equivalents	(2,039)	(5,031)	3,011	(4,252)
Cash and cash equivalents at 1 January	(4,206)	825	(4,884)	(632)
Effect of foreign exchange rate changes	87	-	-	-
Cash and cash equivalents at 31 December	(6,158)	(4,206)	(1,873)	(4,884)
Cash	283	881	148	1
Overdraft	(6,441)	(5,087)	(2,021)	(4,885)
Cash and cash equivalents at 31 December	(6,158)	(4,206)	(1,873)	(4,884)

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:

	2017 £'000	2016 £'000	2017 £'000	2016 £'000
	Revenue		Operating profit/(loss)*	
United Kingdom	16,828	16,167	772	1,644
Poland	12,985	11,292	990	1,115
UK- Head Office	-	-	(441)	(621)
	29,813	27,459	1,321	2,138

*before exceptional items and amortisation of intangible asset.

Included in revenues arising from Poland are revenues from the Group's largest customer amounting to £2,888,000 (2016: £2,867,000). No single customer contributed 10% or more to group revenue. Offsetting the UK- Head Office operating loss is external property rental income and other income (see note 2).

	Assets		Liabilities	
United Kingdom	9,980	10,231	(6,780)	(3,528)
Poland	15,368	13,425	(4,088)	(3,915)
UK- Head Office	10,988	10,427	(2,412)	(4,003)
	36,336	34,083	(13,280)	(11,446)

	Capital expenditure		Depreciation and amortisation		Taxation	
United Kingdom	1,274	827	599	597	66	363
Poland	1,894	505	748	692	275	186
UK- Head Office	26	450	928	879	(24)	(159)
	3,194	1,782	2,275	2,168	317	390

2 Operating costs

	2017 £'000	2016 £'000
Selling, marketing and distribution costs	1,267	986
Administrative expenses	3,569	3,511
Property rental income	(352)	(365)
Other income	(94)	(72)
Loss on foreign exchange	67	60
	4,457	4,120

3 Exceptional items

	2017 £'000	2016 £'000
The following are items outside the normal course of business:		
Profit on disposal of properties	65	167
Costs relating to deferred consideration on acquisition of Madrox	-	23
	65	190

Notes to the financial statements

4 Profit before taxation

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

	2017 £'000	2016 £'000
Depreciation	1,492	1,385
Amortisation of intangible asset	783	783
Gains on disposal of plant and equipment	(20)	(22)
Gains on disposal of properties (see note 3)	(65)	(167)
Loss on foreign exchange movements	67	60
Fees payable to the Company's auditor:		
for the audit of the UK companies	26	30
for the audit of the overseas companies	8	21
Total audit fees	34	51
- tax compliance services	7	8
- other services	-	7
Total non-audit fees	7	15
Total auditor's remuneration	41	66
Audit fees in respect of the Robinson pension scheme (charged to the scheme)	4	5

5 Employee information

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

	2017 Number	2016 Number
Group	312	309
Staff costs (for the above):	£'000	£'000
Wages and salaries	6,454	5,921
Social security costs	764	694
Pension costs	196	322
Share based charges	16	39
	7,430	6,976
	2017 Number	2016 Number
Company	10	9
Staff costs (for the above):	£'000	£'000
Wages and salaries	868	716
Social security costs	120	106
Pension costs	53	59
Share based charges	16	39
	1,057	920

Notes to the financial statements

6 Taxation

Current corporation tax is calculated at 19.25% (2016: 20.25%) of the estimated assessable profit for the year. In addition, deferred tax of £11,000 (2016: £683,000) has been debited/ 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:

	2017 £'000	2016 £'000
Current tax on profit for the year	269	547
Adjustments for current tax of prior periods	116	58
Total current tax charge	385	605
Decrease/(increase) in deferred tax assets	93	(55)
(Decrease)/increase in deferred tax liability	(161)	(160)
Total current deferred tax charge	(68)	(215)
Total tax charge	317	390
Profit before taxation	630	1,618
At the effective rate of tax of 19.25% (2016: 20.25%)	121	324
Difference in rate on overseas taxation	8	5
Items disallowable for tax	(18)	(19)
Depreciation on assets ineligible for capital allowances	38	18
Prior year adjustments - corporation tax	116	58
Prior year adjustments - deferred tax	41	45
Book value of property disposals less than of capital gains	12	(34)
Other differences	(1)	(7)
Tax charge for the year	317	390

The total tax recognised in other comprehensive income in the year was £11,000. There are unrecognised capital losses carried forward of £638,000 (2016: £690,000). 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

	2017 £'000	2016 £'000
Ordinary dividend paid: 2016 final of 3p per share (2015: 3p per share)	485	479
2017 interim of 2.5p per share (2016: 2.5p per share)	416	398
	901	877

The Directors have proposed a final dividend of 3p per share for 2017.

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 of £313,000 (2016: £1,228,000) divided by the weighted average number of shares in issue, net of treasury shares of which rose to 16,561,169 (2016: 16,394,304) on 29 March 2017 after 219,085 ordinary shares were issued through share options, and for diluted earnings per share of 16,857,023 (2016: 16,903,281) after the potentially dilutive effect of further share issue through share options of is applied.

9 Operating lease arrangements

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

	2017 £'000	2016 £'000
Receivable: Within one year	125	226
In the second to fifth years inclusive	198	119
	323	345

Notes to the financial statements

10 Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The total Goodwill balance relates to the Madrox business in Poland, acquired in 2014, which forms a part of the Poland operating segment.

Group	£'000
Cost	
At 1 January 2016 and 31 December 2017	1,487
Accumulated impairment losses	
At 1 January 2016	223
Impairment losses for the year	149
At 31 December 2016	372
Impairment losses for the year	-
At 31 December 2017	372
Carrying amount	
At 31 December 2017	1,115
At 31 December 2016	1,115

The Group tests goodwill annually for impairment, or more frequently if there are indications that an impairment may be required. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for these calculations are those regarding discount rates, sales and operating profit growth rates. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money for the Group. In respect of the other assumptions, external data and management's best estimates are applied. The Group performs goodwill impairment reviews by forecasting cash flows based upon the following year's budget, which anticipates sales growth, and a projection of sales and cash flows based upon industry growth expectations over a further period of four years. The forecasts used in the annual impairment reviews have been prepared taking into account current economic conditions. After this period, the sales growth rates applied to the cash flow forecasts are no more than 2% (2016: 2%) in perpetuity. The pre-tax rate used to discount the forecast cash flows is 10% (2016: 10%). The carrying value of the Group's CGUs remain supportable.

The Group has conducted a sensitivity analysis on the impairment test of the CGU carrying value. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of Goodwill is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

11 Other intangible assets

Group	Customer relationships £'000
Cost	
At 1 January 2016 and 31 December 2017	7,830
Amortisation	
At 1 January 2016	1,175
Charge for the year	783
At 31 December 2016	1,958
Charge for the year	783
At 31 December 2017	2,741
Carrying amount	
At 31 December 2017	5,089
At 31 December 2016	5,872

The amortisation period for customer relationships acquired is 10 years.

Notes to the financial statements

12 Property, plant and equipment

Group	Land and buildings £'000	Surplus properties £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost or deemed cost					
At 1 January 2016	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
Additions at cost	15	21	2,034	1,124	3,194
Disposals	-	(50)	(246)	-	(296)
Movement between categories	26	-	216	(242)	-
Exchange movement	496	-	866	-	1,362
At 31 December 2017	9,551	4,046	24,555	1,124	39,276
Depreciation					
At 1 January 2016	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
Charge for year	286	-	1,206	-	1,492
Disposals	-	-	(230)	-	(230)
Exchange movement	113	-	708	-	821
At 31 December 2017	2,325	208	19,732	-	22,265
Net book value					
At 31 December 2017	7,226	3,838	4,823	1,124	17,011
At 31 December 2016	7,088	3,867	3,637	242	14,834
Company	Land and buildings £'000	Surplus properties £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost or deemed cost					
At 1 January 2016	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
Additions at cost	-	21	4	-	25
Intergroup transfer	1,456	-	-	-	1,456
Disposals	-	(50)	(38)	-	(88)
At 31 December 2017	4,656	6,739	321	-	11,716
Depreciation					
At 1 January 2016	835	133	263	-	1,231
Charge for year	236	-	28	-	264
At 31 December 2016	1,071	133	291	-	1,495
Charge for year	236	-	24	-	260
Intergroup transfer	350	-	-	-	350
Disposals	-	-	(38)	-	(38)
At 31 December 2017	1,657	133	277	-	2,067
Net book value					
At 31 December 2017	2,999	6,606	44	-	9,649
At 31 December 2016	2,129	6,635	64	-	8,828

At 31 December 2017 had the surplus properties been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £763,000 (2016: £798,000); Company £763,000 (2016: £798,000). The Directors consider the fair value of the surplus properties held by the Group equates to a market value of £6.6m (2016: £6.6m).

Notes to the financial statements

13 Investments in subsidiaries

Company	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
Cost			
At 1 January 2016	1	21,849	21,850
Exchange differences		91	91
At 31 December 2016	1	21,940	21,941
Exchange differences		87	87
Additional loans granted		1,261	1,261
At 31 December 2017	1	23,288	23,289
Amounts written off			
At 1 January 2016	-	2,930	2,930
Released	-	(418)	(418)
At 31 December 2016	-	2,512	2,512
Released	-	(5)	(5)
At 31 December 2017	-	2,507	2,507
Net book value			
At 31 December 2017	1	20,781	20,782
At 31 December 2016	1	19,428	19,429

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.

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	
	2017	2016
	£'000	£'000
Raw materials	1,803	1,472
Work in progress	10	56
Finished goods and goods for resale	1,026	943
	2,838	2,471

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

In 2017, a total of £20,675,214 (2016: £19,271,000) cost of inventories was included in the income statement as an expense. This includes an amount of £35,000 resulting from the write-down of inventories (2016: £40,000) and a credit of £98,000 (2016: £10,000) resulting from the reversal of previous write-downs.

15 Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade receivables	9,011	7,892	260	223
Receivables from subsidiaries	-	-	2,364	740
Other receivables	721	564	41	56
Prepayments and accrued income	173	266	82	214
	9,905	8,722	2,747	1,233

Including other receivables due in greater than one year

-	100	-	-
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Receivables from one customer amounted to £978,000 at 31 December 2017 (2016: £924,000). The carrying value of trade or other receivables is considered a reasonable approximation of fair value.

The average credit period taken is 79 days (2016: 78 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 £25,000 (2016: £26,000) 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	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Not more than 3 months	2,639	1,096	-	-
More than 3 months but not more than 6 months	101	52	-	-
	2,740	1,148	-	-

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	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
At 1 January	26	17	-	-
Impairment losses recognised	7	9	-	-
Amounts recovered during the year	(8)	-	-	-
At 31 December	25	26	-	-

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

Notes to the financial statements

16 Deferred taxation

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

	Accelerated tax depreciation £'000	Short term temporary differences £'000	Fair value gains £'000	Pension obligations £'000	Total £'000
Group					
At 1 January 2016	(79)	733	41	675	1,370
Charge to income	10	(216)	(16)	7	(215)
Charged through other comprehensive income	-	-	(1)	(682)	(683)
At 31 December 2016	(69)	517	24	-	472
Charge to income	52	(131)	-	(11)	(90)
Charged through other comprehensive income	-	-	-	11	11
At 31 December 2017	(17)	386	24	-	393
Company					
At 1 January 2016	(3)	(475)	28	675	225
Charge to income	-	(1)	(15)	7	(9)
Charged through other comprehensive income	-	-	(1)	(682)	(683)
At 31 December 2016	(3)	(476)	12	-	(467)
Charge to income	-	(36)	-	(11)	(47)
Charged through other comprehensive income	-	-	-	11	11
At 31 December 2017	(3)	(512)	12	-	(503)
	Group		Company		
	2017	2016	2017	2016	
	£'000	£'000	£'000	£'000	
Deferred tax liability	488	660	-	-	
Deferred tax asset	(95)	(188)	(503)	(467)	
	393	472	(503)	(467)	

Deferred tax has been provided at 17%. Certain deferred tax liabilities have been offset. The above is the analysis of the deferred tax balances (after offset) for financial reporting purposes. 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	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Trade payables	3,549	2,529	90	44
Amounts due to subsidiaries	-	-	7,440	7,566
Social security and other taxes	771	634	116	113
Other creditors	712	456	345	62
Accruals and deferred income	667	977	568	670
	5,699	4,596	8,559	8,455
Amount due for settlement within 12 months	5,612	4,518	8,559	8,455
Amount due for settlement after 12 months	87	78	-	-

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 average credit period taken is 50 days (2016: 52 days).

Notes to the financial statements

18 Borrowings

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Held at amortised cost				
Bank overdraft	6,441	5,087	2,021	4,885
Bank loan	221	684	-	-
	6,662	5,771	2,021	4,885
Amount due for settlement within 12 months	6,662	5,570	2,021	4,885
Amount due for settlement after 12 months	-	201	-	-

A bank overdraft facility is repayable on demand and bears interest at a rate that varies with HSBC sterling base rate. It is secured on a first charge over certain of the Group's properties. The undrawn facility at 31 December 2017 was £3.6m.

19 Provisions for liabilities

Group and Company	Post-retirement benefits £'000
At 1 January 2016	183
Movement in year	2
At 31 December 2016	185
Movement in year	(4)
At 31 December 2017	181

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 a discount rate of 4% per annum, medical cost inflation of 8% per annum, and individual life expectancy assumptions. Based on those assumptions the provision is expected to be utilised over 33 years.

20 Share capital

	2017 £'000	2016 £'000
Authorised:		
70,000,000 ordinary shares of 0.5p each	350	350
Allotted, called up and fully paid (ordinary shares of 0.5p):		
17,687,223 shares	88	88
Held in Treasury: 1,073,834 shares (2016: 1,292,919)	(5)	(6)
Net Issued Share Capital: 16,613,389 shares (2016: 16,394,304)	83	82

The Company has one class of ordinary shares which carry no right to fixed income. On 29th March 2017, 219,085 ordinary shares were issued through share options with a value of £122,792 (see Director's Report). There are no special rights or restrictions associated with these ordinary shares. 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.

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.

Notes to the financial statements

22 Risk management objectives and policies (continued)

Foreign currency sensitivity

Most of the Group's transactions are carried out in sterling. Exposures to currency rates arise from the Group's overseas sales and purchases, which, where they are not denominated in sterling, are primarily denominated in Euros. Total debts denominated in euros amounted to €644,000 at 31 December 2017 (2016: €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	
	2017 £'000	2016 £'000
Profit or loss for the year	15	(15)
Equity	15	(15)

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 2017 would decrease by £58,000 (2016: £57,000) 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 2017 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	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Current within 12 months				
Trade payables	3,549	2,529	90	44
Other financial liabilities	1,379	1,433	8,353	8,298
Borrowings	6,662	5,570	2,021	4,885
	11,590	9,532	10,464	13,227
Non-current later than 12 months				
Other financial liabilities	-	-	9,208	3,431
Borrowings	-	201	-	-
	-	201	9,208	3,431

The Group has no non-current liabilities. The Company non-current liabilities arise from intercompany loans which are considered due in more than 5 years.

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	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Financial assets				
Loans and receivables:				
Trade and other receivables	9,732	8,456	2,665	1,019
Cash	283	881	148	1
	10,015	9,337	2,813	1,020
Financial liabilities measured at amortised cost:				
Non-current:				
Amounts due to group undertakings	-	-	(9,208)	(5,553)
Current:				
Borrowings	(6,662)	(5,771)	(2,021)	(4,885)
Trade and other payables	(4,928)	(3,962)	(8,443)	(8,342)
	(11,590)	(9,733)	(19,672)	(18,780)
Net financial assets and liabilities	(1,575)	(396)	(16,859)	(17,760)
Non-financial assets and liabilities	24,631	23,033	30,711	29,137
Total equity	23,056	22,637	13,852	11,377

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 the 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	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Contracted but not provided in these financial statements	372	53	-	-

24 Contingent liabilities

There were contingent liabilities at 31 December 2017 in relation to cross guarantees of bank overdrafts given by the Company on behalf of other Group undertakings. The amount guaranteed at 31 December 2017 was £6,691,000 (2016: £5,601,000). 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 in the normal course of business between the Company and its subsidiaries during the year as follows:

	2017 £'000	2016 £'000
Charges by the Company to its subsidiaries:		
Rent	318	318
Management charges	462	302
Interest	34	30
Other charges (including costs incurred by the Company on behalf of its subsidiaries and subsequently recharged to them)	4,886	5,744
	5,700	6,394
Charges by the subsidiaries to the Company (mainly costs incurred by them on behalf of the Company and recharged to it)	108	155
Net balances due from subsidiaries outstanding at the year end	6,497	13,875

£5,392,000 of the charges in 2017 related to UK subsidiaries (2016: £6,020,000).

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 full actuarial valuation of the scheme as at 5 April 2017 which showed a surplus of 2% on an on-going basis. The fund was valued under IAS19 as at 31 December by Mr. Andrew Allsopp FIA of Quattro Pensions and the key assumptions used were:

	2017	2016
Discount rate for liabilities	2.4%	2.6%
Price inflation	3.2%	3.4%
Salary inflation	3.5%	3.7%

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 (2016: £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 2016 improvement factors published by the Continuous Mortality Investigation 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:

	2017	2016
Life expectancy of 45 year old man at the age of 65 years	23.0	23.2
Life expectancy of 45 year old woman at the age of 65 years	25.0	25.4
Life expectancy of 65 year old man at the age of 65 years	21.9	21.9
Life expectancy of 65 year old woman at the age of 65 years	23.8	23.9

If the life expectancy assumption was increased by 1 year, the liabilities would increase by approximately £2.6m (2016: £1.6m). The average duration of the benefit obligation at the year-end is 14 years.

Notes to the financial statements

26 Pension asset (continued)

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.

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 2020 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 account will be returned to the fund and therefore it has been disclosed as an asset of the pension scheme. The total set aside in the escrow account at 31 December 2017 amounted to £3.1m (2016: £2.9m).

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

	2017 £'000	2016 £'000
Equities	26,634	23,182
Gilts and bonds	28,124	31,230
Real estate	6,350	5,334
Cash	4,905	4,313
Total market value of assets	66,013	64,059
Present value of scheme liabilities	(57,485)	(58,879)
Surplus in the scheme	8,528	5,180
Irrecoverable surplus	(8,528)	(5,180)
Pension asset	-	-

The following amounts were recognised in the income statement:

	2017 £'000	2016 £'000
Charged to operating profit:		
Current service cost - final salary section	109	90
Expenses - final salary section	82	72
Current service cost - money purchase section	158	160
Total operating charge	349	322
Charged to:		
Cost of sales	89	85
Operating costs	260	237
Total operating charge	349	322
Amount credited to other finance income		
Expected return on assets	1,635	2,027
Interest on scheme liabilities	(1,505)	(1,838)
Net return	130	189

The following amounts were recognised in other comprehensive income:

Movement in irrecoverable surplus before deduction of escrow account	(3,348)	(980)
Other actuarial (losses)/gains	3,565	(2,794)
Actuarial loss recognised in other comprehensive income before deferred taxation		(3,774)
Actuarial loss not recognised in other comprehensive income before deferred taxation	217	

Notes to the financial statements

26 Pension asset (continued)

Movement in the defined benefit obligation were as follows:	2017 £'000	2016 £'000
At 1 January	58,879	50,859
Current service cost	109	90
Interest cost	1,489	1,838
Employee contributions	14	16
Remeasurement DBO - actuarial loss/(gain) from financial items	402	7,797
Remeasurement DBO - actuarial loss/(gain) from demographic items	(14)	746
Benefits paid	(3,394)	(2,467)
At 31 December	57,485	58,879

Movements in the fair value of plan assets during the year were as follows:	2017 £'000	2016 £'000
At 1 January	64,059	56,107
Employee contributions	14	16
Interest income on plan assets	1,635	2,027
Remeasurement of plan assets - actuarial gain/(loss)	3,937	8,619
Employer contributions	(156)	(171)
Benefits paid from plan	(3,394)	(2,467)
Expenses paid	(82)	(72)
At 31 December	66,013	64,059

The actual return on scheme assets over the year was £5,556,000 (2016: £10,646,000). The cumulative amount of actuarial gains and losses recognised in other comprehensive income since the date of transition to IFRS is a loss of £10,306,000 (2016: £10,532,000). The five year history of experience adjustments is as follows:

	2017 £m	2016 £m	2015 £m	2014 £m	2013 £m
Fair value of scheme assets	66.0	64.1	56.1	58.4	56.1
Present value of defined benefit obligations	(57.5)	(58.9)	(50.9)	(53.7)	(48.6)
Irrecoverable surplus	(8.5)	(5.2)	(4.2)	(3.4)	(5.8)
Surplus in the scheme	-	-	1.0	1.3	1.7
Experience adjustments on scheme assets	3.9	8.6	(1.5)	2.6	-
Percentage of scheme assets	6%	13%	-3%	4%	0%
Experience adjustments on scheme liabilities	-	-	(0.1)	-	-
Percentage of scheme liabilities	0%	0%	0%	0%	0%

At 31 December 2017 £25,000 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.

Notes to the financial statements

27 Accounting policies (continued)

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.

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 or Surplus Properties. Depreciation is provided on other assets at the following annual rates:

Buildings	4% - 20% per annum
Plant and machinery	5% - 33% per annum

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 method. The effective interest 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

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from profit or loss in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting period.

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.

Notes to the financial statements

27 Accounting policies (continued)

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's interest in the fair value of identifiable assets (including intangible assets) and liabilities of the business acquired. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the profit for the year on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Cash

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Land & Buildings

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their deemed cost, being the fair value at the date of transition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any revaluation increase arising on the revaluation of such land and buildings prior to deemed cost being adopted was credited to the properties revaluation reserve, except to the extent that it reversed a revaluation decrease for the same asset previously recognised as an expense, in which case the increase was credited to the income statement to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings was charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to income. On the subsequent sale or scrappage of a previously revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Surplus properties

The Group owns several properties, that were previously used in its trading businesses, which are now surplus to its current business needs. There is an active plan to sell these properties as and when market conditions allow. For the purposes of these financial statements these properties have included under the heading Surplus Properties.

Operating Leases

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

Notes to the financial statements

27 Accounting policies (continued)

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.

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 2017 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, other post-employment benefits and the impairment of goodwill, property and intangible assets. 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.

The Group tests goodwill, intangible assets and property annually for impairment, or more frequently if there are indications that an impairment may be required. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Further details on this process are set out in note 10.

An assessment is made at each reporting date as to whether there is any indication that the carrying value may be impaired for intangible assets. This comprises an estimation of the fair value less cost to sell and the value in use. The key assumption used in arriving at a fair value less cost of sale is based on future expected earnings. Future earnings streams for each cash generating unit is then discounted over a finite period to calculate the fair value.

Amendments to IFRSs that are mandatorily effective for the current year

The adoption of the following standards, amendments and interpretations in the current year have not had a material impact on the Group's/Company's financial statements.

	EU effective date – periods beginning on or after
IAS 7 Statement of Cash Flows: Amendment in respect of the disclosure initiative	1 January 2017
IAS 12 Income Taxes: Amendment in relation to the recognition of deferred tax assets for unrealised losses	1 January 2017
Annual Improvements to IFRSs (2014 - 2016): Clarification of the scope of IFRS 12 Disclosure of Interests in Other Entities	1 January 2017

Notes to the financial statements

The adoption of the following standards, amendments and interpretations in future years are not expected to have a material impact on the Group's financial statements.

	EU effective date – periods beginning on or after
Amendments to IAS 28 <i>Investments in Associates and Joint Ventures</i> : Long-term interests in Associates and Joint Ventures	Expected to be endorsed 2018
Amendment to IAS 40 <i>Investment Property</i> : Transfers of investment property	Expected to be endorsed Q1 2018
Amendment to IFRS 2 <i>Share-based Payment</i> : Classification and measurement of share-based payment transactions	Expected to be endorsed Q1 2018
Amendment to IFRS 4 <i>Insurance Contracts</i> : Applying IFRS 9 <i>Financial Instruments</i> with IFRS 4 <i>Insurance Contracts</i>	1 January 2018
IFRS 9 <i>Financial Instruments</i>	1 January 2018
Amendments to IFRS 9 <i>Financial Instruments</i> : Prepayment features with negative compensation	Expected to be endorsed 2018
IFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarifications to IFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
IFRS 16 <i>Leases</i>	1 January 2019
IFRS 17 <i>Insurance Contracts</i>	Expected endorsement date not available
Annual Improvements to IFRSs (2014 - 2016)	Expected to be endorsed Q1 2018
Annual Improvements to IFRSs (2015 - 2017)	Expected to be endorsed 2018
IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i>	Expected to be endorsed Q1 2018
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	Expected to be endorsed 2018

Comment on standards effective from 1 January 2018

a. IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' will essentially replace IAS 39. The classification and measurement of financial assets and liabilities will be directly linked to the nature of the instrument's contractual cash flows and the business model employed by the holder of the instrument.

As the Group does not have any complex financial instruments, this is not expected to impact on reported performance.

b. IFRS 15 'Revenue from Contracts with Customers'

The objective of IFRS 15 is to establish the principles that an entity should apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The assessment is that the standard will be unlikely to have a material impact on the Group's financial statements.

Comment on standards effective from 1 January 2019

c. IFRS 16 'Leases'

IFRS 16 specifies how to recognise, measure, present and disclose leases, and will essentially replace IAS 17. The impact of this standard on the Group's financial statements is not likely to be material.

Independent Auditor's report to the members of Robinson plc

Opinion

We have audited the financial statements of Robinson Plc (the 'company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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.

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 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of the audit report

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The risk	Our response
<p>Revenue Recognition</p> <p>Revenue is a material balance for Robinson Plc and represents the largest balance in the consolidated statement of comprehensive income. An error in this balance could significantly affect a users' interpretation of the financial statements.</p> <p>There is risk of fraud or error in the financial reporting relating to revenue recognition due to the potential to inappropriately record revenue in the wrong period. We therefore consider cut-off to be a key audit matter.</p>	<p>Our procedures over revenue recognition included, but were not limited to:</p> <ul style="list-style-type: none"> • Review and walkthrough of the controls in place around the recognition of revenue to ensure that revenue in the statutory accounts is accurately stated. • Testing a sample of revenue transactions around the year end to ensure they were accounted for in the correct period. • Review of management assumptions and judgements that could influence revenue recognition. <p>No material misstatements were identified as a result of the audit procedures performed.</p>
<p>Goodwill and intangible asset impairment review</p> <p>Robinson Plc carries significant goodwill and other intangible asset balances on its balance sheet. The carrying values at 31 December 2017 were £1.1m and £5.1m respectively.</p>	<p>Our procedures over the impairment assessments of goodwill and intangible assets included, but were not limited to:</p> <ul style="list-style-type: none"> • Review of the goodwill and intangible assets impairment policy, and assessment of the associated controls.

Independent Auditor's report to the members of Robinson plc

<p>The assessment for potential impairment is considered a key audit matter as it requires management to exercise significant judgement when considering future cashflows and profitability. The size of the balances means an error has the potential to have a material impact on the financial statements.</p>	<ul style="list-style-type: none"> • Review of management's assessment of the most appropriate level at which to set the Cash Generating Unit. • Review and challenge management's consideration of forecast performance and any potential impairment. • Review and challenge the appropriateness of the discount rate used by management in its calculations. • Corroboration of management's calculations and to other supporting evidence. <p>No material misstatements were identified as a result of the audit procedures performed.</p>
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Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on the financial statements and our audit. Materiality is used so we can plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. The level of materiality we set is based on our assessment of the magnitude of misstatements that individually or in aggregate, could reasonably be expected to have influence on the economic decisions the users of the financial statements may take based on the information included in the financial statements.

Based on our professional judgement the level of overall materiality we set for the financial statements is outlined below:

Financial Statement materiality:	£447,000
Benchmark applied:	Materiality has been determined with reference to a benchmark of revenue, of which it represents 1.5%.
Basis for chosen benchmark:	We used revenue to calculate our materiality as, in our view, this is the most relevant measure of the underlying financial performance of the company.

On the basis of our risk assessments, together with our assessment of the group's overall control environment, our judgement was that performance materiality was approximately 70 per cent of our financial statement materiality, namely £313,000.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £13,400 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified during the course of assessing the overall presentation of the financial statements.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at component level. In the current period, the performance materiality allocated to the components and/or subsidiaries of the group ranged between £10,800 and £276,000.

The company financial statement materiality has been set as 4% of Net Assets, namely £394,000. Performance materiality has been set at approximately 70 per cent of our financial statement materiality, namely £276,000.

An overview of the scope of our audit

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. Our audit included an assessment of: whether accounting policies are appropriate to the group and 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 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.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level. Based on that assessment, all entities within the group were subject to full scope audit performed by the group audit team with the exception of overseas subsidiaries whose audits were performed by the component auditor. At the parent company level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Independent Auditor's report to the members of Robinson plc

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Signed: 

Louis Burns (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT
22/03/2018

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 2016. 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 2017 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 10 May 2018 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 10 May 2018 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 2017	*FOR	*AGAINST	*WITHHELD
2.	To declare a final dividend of 3p per ordinary share	*FOR	*AGAINST	*WITHHELD
3.	To re-elect Richard Clothier as a director	*FOR	*AGAINST	*WITHHELD
4.	To re-elect Guy Robinson as a director	*FOR	*AGAINST	*WITHHELD
5.	To reappoint Mazars LLP as auditor of the Company and to authorise the directors to determine their remuneration	*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 10 May 2018

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: 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 10 May 2018 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 2017
2. to declare a final dividend of 3p per ordinary share
3. to re-elect Richard Clothier as a director of the Company
4. to re-elect Guy Robinson as a director of the Company
5. to re-appoint Mazars 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

17 April 2018

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 8 May 2018 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 8 May 2018 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.