Above & Beyond

Annual report 2020

Robinson plc 2020 Financial Statements
Year ended 31 December 2020

Registered Number: 39811

ROBINSON

Welcome to the Robinson Group Annual report 2020

2020 was a year of challenges and achievements. The Covid-19 pandemic has severely impacted all our stakeholders – from our suppliers to our customers, communities, shareholders and employees. Our people remain our top priority, keeping them safe throughout with minimal disruption to our operations while meeting customer needs.

As a business, we are proud of what we have been able to achieve in this difficult climate. We have expanded our footprint, capabilities and geographical reach with the acquisition of Schela Plast A/S (Schela Plast), which will better position us to serve customers in Northern Europe, as well as in Central Europe and the UK. We have also delivered strong sales growth, reinvesting in our business and people.

We have rebranded Robinson with a view to stimulate the development of our people and our business, communicating to the marketplace that we remain committed to our customers and the future of our industry, which you will see reflected in this report.

Intrinsic to this development is placing sustainability at the heart of what we do: we have set ourselves a robust sustainability strategy with 15 ambitious goals that will make Robinson, our people and communities future-fit on every level, equipped to serve our customers' needs with speed and agility.

Contents

Five year summary

	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000
Revenue	27,459	29,813	32,802	35,085	37,203
Gross profit	6,258	5,778	5,884	7,492	8,566
% of revenue	23%	19%	18%	21%	23%
Operating costs	(4,120)	(4,457)	(4,370)	(4,971)	(5,878)
Operating profit before exceptional items and amortisation of intangible assets	2,138	1,321	1,514	2,521	2,688
Exceptional items	190	65	110	-	-
Amortisation of intangible asset	(783)	(783)	(783)	(810)	(809)
Operating profit	1,545	603	841	1,711	1,879
Net finance costs	(116)	(103)	(156)	(205)	(127)
Finance income in respect of pension fund	189	130	-	-	-
Profit before taxation	1,618	630	685	1,506	1,752
Taxation	(390)	(317)	10	(296)	(343)
Dividends	(877)	(901)	(890)	(890)	(890)
Retained profit/(loss)	351	(588)	(195)	320	519
Net assets excluding pension asset after deduction of related deferred tax	22,612	23,056	22,928	22,923	23,404
Depreciation	1,385	1,492	1,795	1,960	2,164
EBITDA (earnings before interest, tax, depreciation and amortisation)	3,713	2,878	3,419	4,481	4,852
Capital expenditure	1,782	3,194	4,355	1,726	4,956
Net debt	4,890	6,510	8,845	6,946	6,865
Operating profit % of revenue	6%	2%	3%	5%	5%
Return on capital employed %	7%	4%	5%	7%	8%
Basic earnings per share	7.5p	1.9p	4.2p	7.3p	8.5p

Our year in review

Sales increased to £37.2m

(2019: £35.1m)

Gross margin increased to 23%

(2019: 21%)

Adjusted EBIT* increased to £2.7m

(2019: £2.5m)

Rebranded Robinson and defined new purpose and core values

Post year end acquisition of Schela Plast

£4.6m invested in net capital expenditure**

(2019: £1.7m)

Developed a sustainability pledge and 15 goals

Dividend paid in the year 5.5p

(2019: 5.5p)

66% employees completed Organisational Culture Survey with 95% reliability rating

Completed independent Board effectiveness review

* Operating profit before amortisation of intangible assets
** Net capital expenditure excluding operating leases capitalised under IFRS 16

Chairman's statement

2020 was a year that tested us all – governments, society, businesses and individuals have all been deeply impacted by the Covid-19 pandemic. Robinson did not escape this test, but I am very proud of how the team has responded, maintaining a safe working environment for all while minimising disruption to our customers and their consumers. I would like to thank every Robinson employee for their outstanding commitment and communicate my appreciation for the strong collaboration of our suppliers and customers in 2020.

The pandemic has created significant uncertainty and volatility for our business. We saw substantial spikes in demand for some products, offset by weaker demand in others. To ensure the safety of our employees, we created new ways of working in our factories and asked many of our sales and administration office colleagues to work from home.

As a key industry in both the UK and Poland, the vital contribution the Robinson team made to the health and wellbeing of our communities through the supply of essential hygiene and food packaging in 2020 is worthy of special note.

Financial and operating performance

We delivered strong sales growth in 2020, with revenue rising by 6%. Underlying volume increased by 8%. Gross margins, at 23% (2019: 21%), have continued the positive trend started in 2019, helped by softness in resin prices, income from value-added services and increased operational efficiency. The impact of Covid-19 was marginally beneficial to revenue and profit in 2020. The additional demand for some products offset the additional costs of operating our factories safely.

Operating costs were 18% higher than 2019 as we continued to invest in the business.

Operating profit before amortisation of intangible assets has increased to £2.7m (2019: £2.5m) and profit before tax increased to £1.8m (2019: £1.5m).

Cash generated by operations was £6.6m (2019: £4.9m), benefiting from improved profitability and cash collection, longer supplier payment terms, lower resin prices and the impact of UK VAT deferred from March 2020 to March 2021.

Aligned with our customers' priorities, we purchased new presses to improve service and responsiveness, enhanced our capabilities to deliver market-place innovation and improved our processes to achieve best-in-class product quality. We also added resources to partner with key customers and to accelerate our sustainability agenda. Our new sustainability pledge will be at the heart of everything we do as a business and details of the pledge, which is focused on five pillars and 15 commitments, is provided on pages 12 and 13.

In addition, we refreshed the Robinson purpose, values and our brand identity – confirming our intent to go above and beyond to create a sustainable future for our people and our planet.

Strategy and acquisition of Schela Plast

In September 2020, we conducted our annual strategy and business review, reaffirming our objective to deliver sustainable shareholder value through above-market profitable growth, achieving an adjusted operating margin* of 6-8%. Our three strategic priorities are described in more detail on pages 10 and 11.

On 10 February 2021, we completed the acquisition of Schela Plast, a specialist in the design and manufacture of blow moulded containers, based in Denmark. Schela Plast is a strong complementary fit to our existing products and services, customers and manufacturing locations. Their location and capabilities, together with our planned investment in additional equipment, generate areas for growth with key customers in the market sectors we and Schela Plast serve.

Capital investment, financing and pension

We are committed to maintaining a competitive manufacturing infrastructure. During the year, we invested net £4.6m in production equipment to replace outdated presses, add additional capacity and refurbish a manufacturing building in our UK business. This investment was funded by strong cash generation from operations resulting in net debt (including IFRS 16 leases) at 31 December 2020 of £6.9m (2019: £6.9m).

To fund the post-year-end Schela Plast acquisition, new facilities totalling £12m were agreed with HSBC Bank UK. With total credit facilities of £18m (2019: £13m), the necessary headroom is available for the Group to operate effectively.

The results of the triennial actuarial valuation of the defined benefit pension fund, rolled forward to 30 October 2020, showed the fund had a surplus of approximately 4% (2017: 2%). The Trustees and the Company have therefore agreed that the Company continues to benefit from a contribution holiday. Further details are provided in note 30 to the accounts.

The IAS 19 valuation of our pension plan at 31 December 2020 reported a surplus of £9.3m (2019: £10.5m). This surplus is deemed to be irrecoverable and so is not included in the Group's assets.

Governance and Board composition

As a Board, we are committed to the highest standards of corporate governance. We continue to comply with the Quoted Companies Alliance Corporate Governance Code. During the year, we undertook an independent evaluation of Board effectiveness, with encouraging results. A summary of this exercise is included in the Corporate governance report on pages 28 and 29.

Guy Robinson retired as Finance Director on 1 January 2021. I am pleased to confirm that, in accordance with the Board's succession plan, Guy was succeeded by existing Executive Board Director Mike Cusick. The Board will continue to benefit from Guy's experience as an Executive Director until the 2021 Annual General Meeting (AGM) and as a Non-Executive Director thereafter. Additionally, existing Non-Executive Board Director Sara Halton was appointed as the Senior Independent Director and Chair of the Audit and Risk Committee.

As previously communicated, Anthony Glossop will retire from the Board at the AGM. On behalf of the Board, I would like to place on record our deep appreciation of his wise counsel, outstanding contribution and dedication to our success throughout his many years of service.

I look forward to working with Guy, Mike and Sara in their new roles at Robinson.

Property

Progress has been made towards selling some of the surplus property in Chesterfield. Very recently heads of agreement, subject to contract, with a gross value of £3.4m have been signed for two plots of land. The total book value of the plots is less than £1m at 31 December 2020. We hope that, subject to receiving the necessary planning approvals, further sales will be achieved in the next two years.

Dividend

The Board proposes a final dividend of 3.0p per share to be paid on 16 July 2021 to shareholders on the register at the close of business on 2 July 2021. The ordinary shares become ex-dividend on 1 July 2021. This brings the total dividend declared for 2020 to 8.5p (2019: 2.5p) including the final dividend for 2019 which was deferred.

Outlook

The pace of recovery from the pandemic across geographies and short-term spikes in resin prices are likely to create substantial uncertainty and volatility in the market in 2021. Despite this uncertainty, we remain committed to delivering above-market profitable growth and our target of 6-8% adjusted operating margin*.

We will continue to invest in creating a high performance, expert and diverse team that can thrive in a safe environment while delivering sustainable value to our customers and other stakeholders.

Our flexibility, responsiveness, technical capabilities and, most importantly, our people provide the basis for Robinson to go "above and beyond" in 2021.

Alan Raleigh
Chairman
24 March 2021

*Operating profit margin before exceptional items and amortisation of intangible assets

Interview with Dr Helene Roberts, CEO

Q. How have you found your first year of leadership at Robinson?

For reasons that will be clear to everyone, it has been a challenging year – but we have achieved so much, thanks to the dedication and passion of our people. We have serviced our customers throughout the pandemic, not only by providing much needed products but also by offering the responsive and agile service they have come to expect from Robinson. We have invested heavily in new equipment and have simplified and standardised our business processes to create a consistent one-Robinson approach.

Despite the external challenges in 2020, we have delivered a strong performance that built on the foundations laid in 2019. We delivered sustainable growth in sales, with revenue increasing by 6%, while improving our gross margin to 23% from 21% in 2019.

We have further invested in the business and our people through key initiatives, including the implementation of our People development plan, resources to protect our people against Covid-19, conducting a Voice of the Customer survey and a rebranding exercise. As a result, our operating costs were 18% higher than 2019, but overall, our profit before tax increased to £1.8m from £1.5m in 2019.

Again, our people are key to all of this. This is why engaging with our people has been an absolute priority, along with ensuring their wellbeing. We are building a strong and resilient team culture.

Q. Robinson has announced its purpose and rebranded with some quite bold changes to its identity. How did this come about and why now?

Rebranding Robinson is much more than simply changing our logo; it's about stimulating development for our people and the Company, communicating to the marketplace that we are a key partner to our customers with our aim to take a leading position on sustainability.

Our new purpose is to go above and beyond to create a sustainable future for our people and our planet – and our revitalised identity reflects this.

The new-look Robinson is the result of months of research into an evolving marketplace, both in terms of our industry and the markets we serve. We gained unique insights from those people within and outside our business who we interact with, affect and are affected by. This helped us define our core values.

We are linking our past with our future, proud of our heritage and staying true to ourselves, reflecting on who we really are as a company and where we need to be.

Q&A

Q. How do you think Robinson has supported its people in 2020?

Our people are what drives us. We want to help them thrive and build a safe, healthy and happy workplace.

We recognise that we have significant work to do on the safety culture in the business, as indicated by the number of lost-time accidents in 2020. To this end, we are applying a safety-first culture through implementing a behaviour-based safety programme at all levels within our factory and office environments. We are already seeing the results of our new approach, with increased near-miss reporting and buy-in to our new 30-second risk assessments rolled out across the Group.

As the pandemic has lingered, we have become more aware of the physical and mental health strain it is causing. We support all of our people, ensuring that they had quality time with their families at Easter and Christmas, supplemented by food vouchers and gifts, and that they now have immediate access to private medical care.

I believe our culture and behaviour is critical at this time and that by putting our employees first, by listening and talking to them, we will emerge as a stronger business. Diversity and social inclusion are very important to me. As a business, we have been making real progress in embracing and benefiting from diversity, and I was delighted to be recognised as a 'Woman to Watch' by Cranfield University's School of Management Gender, Leadership and Inclusion Centre.

Q. Robinson has developed a refreshed sustainability pledge with 15 ambitious goals. What's your vision and how will this benefit people and the environment?

As a company whose products are used every day, we believe that our long-term success is dependent on our commitment to manufacture plastic products responsibly and deliver a future with less waste. We have launched our sustainability pledge, focusing on the areas where we believe we can bring the greatest benefit for our people, the communities we impact directly and indirectly and how our product design can have an influence on building circular economies.

By being a prosperous business improving social and environmental conditions, we create a sustainable future. Our aim is circularity - to recover, regenerate and restore all products and materials at the end of their useful life. Our sustainability strategy aligns these aims, strengthening our ability to deliver packaging with purpose.

Q. Apart from sustainability, how would you say Robinson is preparing for the future? What are the next steps?

During 2020, we introduced a significant amount of change to the business. Our focus in 2021 will be on consolidation, extracting full value while taking the opportunity to refine our business processes and to introduce key elements of digitalisation, including new human resources and production management systems.

We are also delighted with the recent acquisition of Schela Plast in Denmark and welcome our new colleagues to Robinson. This investment is part of our sustainable growth strategy to build on our customised model, offering a complete packaging solution from cap to bottle. It adds geographical relevance to core customers and strategic partnerships, with reach into Northern Europe, and further strengthens our existing position in the UK and Central Europe.

While uncertainty looks set to continue during this pandemic, I am excited about the opportunities for our people to thrive, strengthening our customer partnerships while achieving sustainable growth and delivering improved value.

Robinson at a glance

Our new purpose is to go above and beyond to create a sustainable future for our people and our planet.

Our business

Robinson specialises in custom packaging with technical solutions for hygiene, safety, protection and convenience. We manufacture injection and blow moulded plastic packaging and rigid paperboard luxury packaging.

Who we serve

Robinson provides products and services within the food and drink, homecare, personal care and beauty, and luxury gift markets. We count major players in the fast-moving consumer goods market among our clients, including McBride, Procter & Gamble, Reckitt Benckiser, SC Johnson and Unilever.

How we work

Robinson is a knowledge-based organisation. Our success is based on our technical capabilities and our agility and flexibility to invest in custom solutions with pace. Our geographical presence also maximises commercial logistical reach. We are innovators in how we work, adapting inventions and commercialising them with speed of execution.

Our organisation

Headquartered in Chesterfield, UK, Robinson has three plants in the UK, two in Poland and a recently acquired plant in Denmark. The organisation, formerly a family business with its origins dating back 182 years, currently employs nearly 400 people. The Group also has a substantial property portfolio with development potential.

61% revenue from top 10 customers

80% waste to recycling

£37.2m turnover

337 employees (excluding Schela Plast)

Our locations

Kirkby-in-Ashfield

Stanton Hill

Łódź

Mińsk Mazowiecki

Chesterfield

Brørup
(Schela Plast acquired 10 February 2021)

Doing what we do, with the future of our people and the planet in mind

Materials
Our suppliers extract and supply raw materials for our packaging, as well as provide us with energy, tools, equipment and machinery.

Products
We offer custom solutions and technical capabilities that deliver social and environmental benefits while protecting our customers' products and the consumers who use them.

Customers
We partner with our customers, along with technical specialists, experts and researchers, to design packaging with sustainability features and benefits built into the entire lifecycle.

Operations
We use innovative processes at all of our manufacturing plants and offices to reduce our impact on the planet.

Team
We invest in our people, helping shape their careers and support their safety, health and wellbeing.

Transportation
We partner with our logistics providers to minimise transport through intelligent packaging design and by taking advantage of our locations close to our key customers in the UK and Europe.

Our business strategy

Our strategy is to grow ahead of the market, by providing excellent customer service as a long-term strategic partner, while creating a people-centric business aligned with our purpose. As we transition to a circular economy, sustainability is at the core of our work.

Our strategic priorities

Underpinned by operating responsibly and sustainably

Accountable and inclusive governance
Robinson is aware of its corporate social responsibilities and the need to maintain balanced relationships with its shareholders and other stakeholders.

Our sustainability pledge
We believe that our long-term success is dependent on our commitment to delivering social benefit, responsible manufacturing and a future with less waste.

Read more on pages 12 and 13.

Our core values and behaviours

Honest

We are refreshingly real, straightforward and trusted. We tell it like it is while being respectful and gaining respect. We connect with audiences through being genuine and open.

Agile

We are committed to efficient success, working flexibly and responsively to stay on track. We roll up our sleeves and get stuck in.

Empowered

We are confident, working with authority and competence to deliver our collective goals. We are trusted in our knowledge and our delivery.

Engaged

We want our people to thrive, supporting them to realise their full potential as we build a happy, committed culture.

Our strategic priorities

Customer first

We will partner with our customers to help provide long-term value by protecting and showcasing their brands through our sustainable, fully functional custom packaging solutions. We will take their concepts and turn them into commercial reality with speed and agility. We will do this by:

- providing excellent customer service and enabling our customers to efficiently and effectively serve their customers and the value chain;
- engaging our customers and making us more relevant as a long-term strategic partner; and
- creating mutual value for ourselves and our customers to drive sustainable growth.

Our sustainability pledge

Intelligence
We will enable our customers to contribute to building a circular economy through Robinson's sustainable products and services.

Transformation
We will drive shared commercial value and income streams beyond current business models, collaborating with our customers.

Sustainable growth

We will deliver on our promise to grow our revenue ahead of the market and achieve profitable growth, thereby generating long-term shareholder value. We will do this by:

- doing the right things right through world-class manufacturing operations, developing a superior performance-focused mindset of improvement and extracting capacity for regenerative growth;
- divesting surplus property and reinvesting into the business; and
- improving financial performance and resilience, allowing us to invest in the business and helping our people thrive.

Our sustainability pledge

Regeneration
We will extract maximum value from the resources we use in our operations, recovering and restoring materials at the end of their life.

Transformation
We will drive shared commercial value and income streams to regenerate business models for a circular economy.

Thriving people

We will create a people-centric business, aligned to our purpose. We will do this by:

- building a culture that puts people at the core, focusing on being socially inclusive and driving diversity in thinking and supporting safety, health and wellbeing;
- investing in our people, enabling them to reach their full potential through our continuous training programmes, helping them shape their careers; and
- engaging people in all aspects of our business and operations and assisting them in putting our customers first.

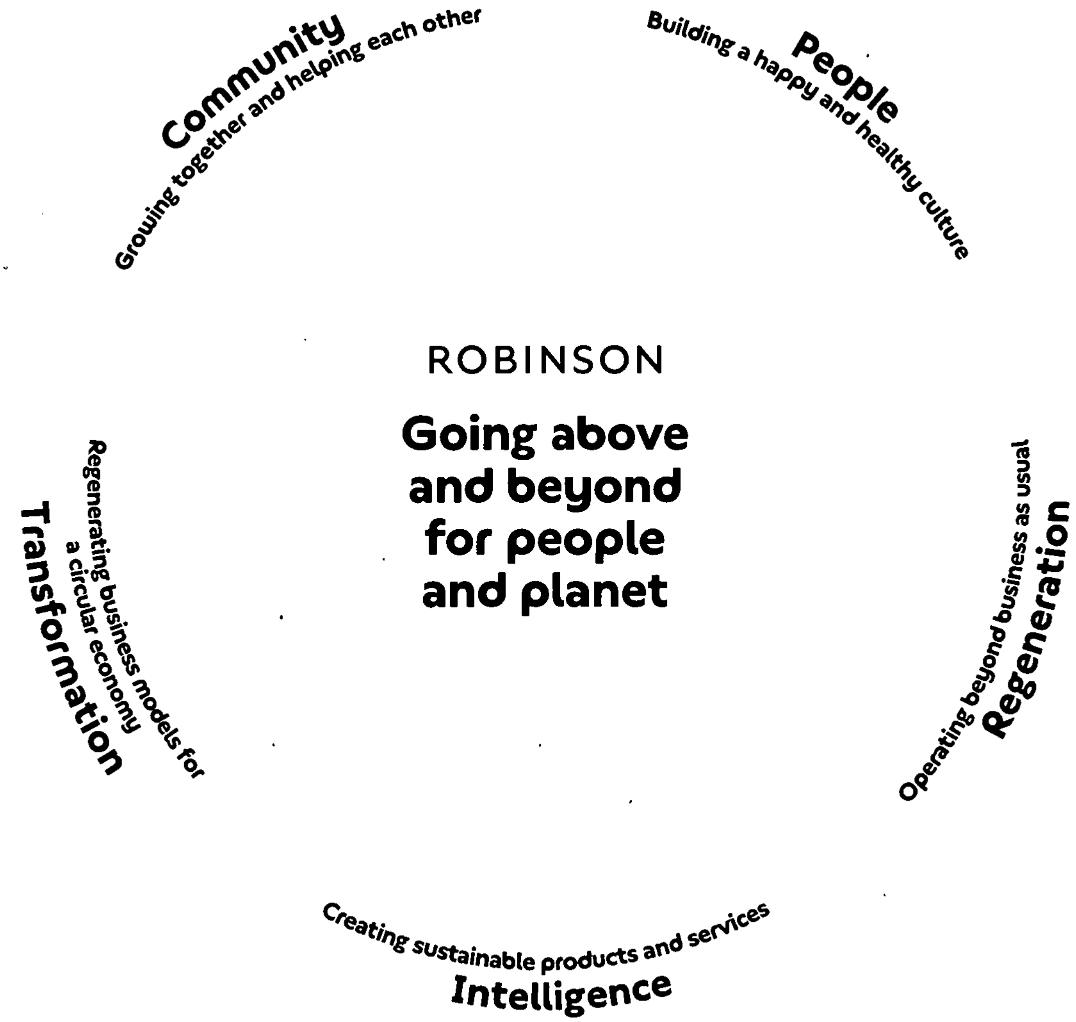
Our sustainability pledge

Talent
We want our people to thrive, enabling our team to reach their potential in a culture that prioritises health and wellbeing.

Community
We will deliver real social and environmental benefits to our people and the local communities in which we operate.

Guiding our sustainability journey

Our newly launched sustainability pledge underpins our business strategy. It strengthens our ability to deliver packaging with purpose, focusing on the areas where we believe we can deliver the greatest benefit for our people and the communities we impact.



We are pushing the boundaries of our business to create a sustainable future. This vision is driven by our **sustainability pledge**, which is focused on **five pillars** and **15 ambitious commitments.**

We want our people to thrive, enabling our team to reach their potential in a culture that prioritises health and wellbeing.

Our goals
- People development plan by 2023
- Zero accidents every year
- Champion employee health and wellbeing

The UN SDGs* we can have the greatest impact on

We will extract maximum value from the resources we use in our operations, recovering and restoring materials at the end of their life.

Our goals
- Zero waste to landfill by 2021
- Net carbon positive by 2030
- Sustainable buildings by 2025

The UN SDGs we can have the greatest impact on

We will enable our customers to contribute to building a circular economy by applying purposeful design, using recycled content and making our products recyclable.

Our goals
- 10% virgin plastic reduction by 2025
- Maximum recycled content by 2022
- All products fully recyclable by 2022

The UN SDGs we can have the greatest impact on

We will drive shared commercial value and income streams beyond current business models, collaborating with our customers and partners to regenerate local economies.

Our goals
- Build sustainable business environments
- Greener spaces and habitats
- Offer reusable products

The UN SDGs we can have the greatest impact on

We will deliver real social and environmental benefits to our communities, educating the next generation of change-makers and bringing more sustainable initiatives to the areas where we operate.

Our goals
- Offer career-enhancing work experience and oppoortunities
- Engage schools on benefits of packaging and recycling
- Give back to our communities every year

The UN SDGs we can have the greatest impact on

Find out more about our pledge at robinsonpackaging.com/sustainability
*United Nations Sustainable Development Goals

How we create value

External drivers

Environmental sustainability
Plastics use and waste, pollution, food waste, energy, and carbon emissions.

Social and demographic changes
Changing role of packaging and attitudes to waste.

Uncertain economic outlook
Medium and long-term impacts of Covid-19 and Brexit.

Regulation and legislation
UK and European plastics legislation from 2022.

Supply chain disruption
Reliance on timely, high-quality raw materials.

Digitalisation and automation
Rapidly advancing manufacturing techniques and technology.

What we depend on

Relationships

Thriving people
The engagement, skill and efforts of our talented people.

Supply partnerships
Materials and equipment procured from a limited number of partners.

Expert groups and organisations
Insights to policy, legislation and market trends and driving positive change.

Customers
Integrated and mutually beneficial relationships with key customers.

Resources

Natural resources
Renewable and non-renewable materials.

Financial resources
Cash, equity and debt to invest for the long-term.

Tangible assets
Physical assets such as manufacturing and office facilities as well as stock.

Our business model

1 Supply chain
We partner with our suppliers and expert organisations to help us develop efficient processes and sustainable products.

2 Design and manufacturing
We use technical expertise to bring customer concepts to commercial reality with agility, while minimising environmental impact.

Our people and expertise

We protect and develop our people to help them thrive and continue to deliver value to our business and our customers.

3
Customers

We develop partnerships with and invest in our customers to ensure they can meet their own customers' needs.

4
Consumers

We provide packaging across our market sectors that is sustainable, protective and functional.

5
Post-consumer recycled content

We aim to design closed-loop packaging - eliminating waste and pollution, keeping resources in the circular economy and regenerating natural systems.

The value we create now

Customers
Protection and differentiation of customer brands through sustainable, custom packaging solutions at speed and at a competitive price.

People
Motivated people achieving their full potential and taking action to improve their health and wellbeing.

Communities
Increased local employment and community engagement in plastics, packaging and circular economies.

Environment
Reduction in food and product waste and climate mitigation.

Investors and shareholders
Profitable, sustainable growth, generating long-term shareholder value.

Consumers
Protective packaging for hygiene, safety and convenience.

Creating inclusive and equitable employment
A diverse workforce with a culture that prioritises health and wellbeing, people development and employee growth with fair reward.

Protecting our planet
Sustainable consumption with clear goals of zero waste to landfill and becoming net carbon positive.

Reducing plastic pollution
Packaging with the lowest possible plastic content, maximising recycled material and driving for improved recycling systems.

Partnership and collaboration
Collaboration on the regeneration of local economies and education on the benefits of plastics and importance of recycling.

Risks and opportunities

Our approach to risk management

The Board maintains a process and procedures for identifying significant risks faced by the Group as follows:

The Board meets annually to **identify risks** and review strategy.

Risks are **assessed** during the annual planning and budget process.

The Senior Leadership Team records each risk, describing **mitigation** measures and any proposed **future actions**.

The status of the most significant risks is **reviewed** regularly at Senior Leadership Team meetings.

The Group's Audit and Risk Committee assist the Board in **monitoring** risk management across the Group.

Our principal risks

Risks are assessed across five categories: **Strategic; Business continuity; Environmental, social and governance; Operational;** and **Financial.** From those categories, the Directors have identified those risks and opportunities that are deemed fundamental to the business due to their potential impact on the delivery of the Group's long-term strategic goals.

Pages 10 and 11: Our business strategy

Principal risk and impact	Mitigation	Key developments and opportunities
Strategic		
Acquisition integration The acquisition of Schela Plast creates potential risks in business stabilisation and continuity, culture, technology and change management. Failure to integrate could reduce business earnings and value.	Comprehensive post-acquisition integration plan in place with regular reviews. The existing Schela Plast Managing Director will remain with the business.	Knowledge-sharing opportunities with UK and Poland operations.
Customer relationships A significant proportion of Group revenue is derived from a small number of key customers. The loss of a customer or worsening of terms could adversely affect results.	Strong partnerships and targeted strategies. Multi-level contact points in customer research and development, technical and sustainability areas to develop understanding of goals and ambitions. Building relationships with other brands.	Independent formal customer survey highlighting key improvement areas with specific action plans. Increased sustainability and marketing expertise.

Principal risk and impact	Mitigation	Key developments and opportunities
Strategic (cont.)		
Input prices Market prices of electricity and plastic resin, particularly recycled resin, can fluctuate significantly leading to higher costs and lower profitability.	Where possible, contracts are structured to allow input cost recovery. Alternative competitive sources of specific materials are continually sought, with material tolling arrangements in place where applicable. Fixed price energy contracts are used at some sites.	Virgin resin prices reduced in 2020 while a lack of recycled material supply kept prices high. Continue lobbying for financial mechanisms and drivers to increase supply and availability of recycled materials. Brexit and Covid-19 disruption limited availability, which could affect price in the short term.
Business continuity		
Raw material supply Failure to receive timely, high-quality raw materials (including EU imports) could impact our ability to meet customer demand.	Secondary supply sources in place for some key materials. Additional material stocks held to reduce the impact of Brexit.	Shortage of corrugate and resin from European suppliers restricted output in late December into Q1 2021. Full rollout of secondary suppliers.
IT and digital security A breach of IT systems could result in the inability to operate systems effectively or the release of sensitive information.	Physical security of servers, anti-malware, internet monitoring, safe-use policies and regular employee training.	IT team strengthened. Increased budget for 2021 and reviewing the possibility to gain IT security certification.
Environmental, social and governance		
Environment Business impacts related to plastics and waste pollution, food waste, energy and carbon emissions resulting in climate change.	Established a sustainability pledge and roadmap. Select sustainable materials and design choices to prevent product damage and waste. Ensure sustainable operations and production.	Increase in the use of recycled plastics. Sustainability pledge has specific goals related to reducing environmental impacts. Appointment of a Group Sustainability Director.
Plastics legislation New plastics legislation may increase costs and fees and could impact customer demand for plastic packaging.	Active membership of trade bodies lobbying for the benefit of plastics. Driving financial incentives in policy and legislation to increase the availability and use of recycled materials. Designing for recyclability without creating unintended environmental impacts. Monitor developments and keep close contact with customers.	Reducing the amount of materials we use through innovation design and technology. Developing and identifying alternative sources of recycled materials and phasing out non-recyclable products. Opportunities to develop closed-loop solutions.
Operational		
Market competitiveness Failure to supply or an uncompetitive cost position could result in loss of market share. Being competitive will require additional capital expenditure.	Investment in new technology to improve costs. Continuous improvement and value engineering initiatives in place to reduce costs, including controls over capital expenditure to ensure maximum returns.	Significant investments to improve competitiveness and reliability. Bank funding in place to invest further. New technology to reduce carbon emissions.
People Our success depends on the efforts and abilities of our people. Low unemployment and high demand for skilled people may restrict our growth.	Frequent salary benchmarking and adjustment. Fair employment practices. Increased number of permanent rather than temporary employees. Comprehensive People development plan.	Continued focus on improving employee engagement. Improved induction and onboarding. Roadmap to real living wage by 2021 outlined. Transition from temporary to permanent jobs in Poland under way.
Financial		
Debt leverage Higher leverage increases liquidity risk and may lead to higher finance costs.	Detailed business plans identifying cash requirements in place. Sales of surplus property planned to reduce leverage. Strong relationships with Group bankers. Fixed-rate borrowings used in the form of finance leases.	New committed bank funding in place to finance the Schela Plast acquisition.
Foreign currency Currency fluctuations could impact revenues and profits and the value of overseas investments.	Currency exposures not typically hedged but exchange rates are closely monitored at Board level.	Polish Zloty weakened by 5% against Sterling during 2020. Schela Plast acquisition creates additional exposure to the Danish Krone.

Engaging with stakeholders

Investors and banks

Who and why?

Access to capital is vital to our long-term success. We must get buy-in to our strategic priorities from investors. We seek an investor base that is interested in long-term shareholding.

How we engaged

- AGM.
- Investor presentations and one-to-one meetings.
- Reports and results announcements.
- Regular meetings with banks and funding providers.

Outcomes and actions

- 2019 final dividend postponed and repayment holidays sought but not used on finance leases.
- New partially committed bank funding package agreed for three-year term to support the Schela Plast acquisition.

Employees

Who and why?

We engage with employees to help build a happy and healthy culture, empowering and enabling them to achieve their potential. In return, we expect low absenteeism and turnover rates, allowing us to maintain high efficiency and productivity.

How we engaged

- Quarterly briefings with senior site management and employee consultative committees.
- Annual roadshows with senior site management and the CEO, site visits and tours with the Non-Executive Directors.
- CEO and Managing Director video communication.
- Annual long-service dinner with the CEO.
- Independent employee surveys.
- In-house magazine.

Outcomes and actions

- Improved hygiene and social distancing controls during the Covid-19 pandemic, daily temperature checks for all staff and planned shutdowns at Easter and Christmas 2020.
- Identification of improvement areas to achieve a high-performing culture, such as the establishment of a People development plan.
- Concrete improvement plans to action findings from employee surveys.
- Communication and engagement plans for individual and team support.
- Employee benefits packages implemented across the Group including 24/7 access to a doctor.

Suppliers

Who and why?

Only a limited number of resin producers and machinery suppliers can supply the raw materials and equipment that we need.

How we engaged

- Regular meetings with suppliers.
- Supplier site audits.
- Request for quotes and contract negotiations.

Outcomes and actions

- Preparing for Brexit by building raw material stocks and new partnerships to increase contingency in the EU and the rest of the world.
- Supply deals arranged for alternative sources of recycled material and engagement with industry experts on the circular economy.
- Purchased 11 moulding machines and 15 forklift trucks to improve business efficiency, safety and capacity.

We communicate frequently with the people who most affect and are affected by our business. As required by Section 172(1) of the Companies Act 2006, we detail those engagements here.

Customers

Who and why?

We rely on a small number of customers for a majority of our revenue. Strong partnerships are critical to understanding our customers' markets and plans to ensure we can provide the best packaging solutions and services.

How we engaged

- Strategic review meetings twice per year with our customers' senior management.
- CEO meetings with strategic partners at least once per year.
- Packaging exhibitions and trade shows.
- Site audits.
- Independent feedback interviews and surveys.

Outcomes and actions

- Through feedback from our 21 largest customers, five key business improvement areas were identified and customer service action plans were implemented.
- Increased pro-active engagement with customers focused on enhancing our partnerships.
- Ongoing dialogue with customers to mitigate delays and supply disruptions caused by Brexit.
- Continued to serve customers despite challenges to demand and credit risk caused by the Covid-19 pandemic.
- Schela Plast acquisition to support strategic long-term partnership with our largest customer.

Expert organisations

Who and why?

We are members of several trade and industry organisations to stay updated on related policy, legislation and trends within our core market sectors. We partner with organisations and consortiums to drive transformational innovation and societal changes.

How we engaged

- Company memberships of industry bodies.
- Senior management as Board members and Trustees.
- Networking at industry events.
- Active participation in select workstreams ranging from lobbying to finding technical, sustainable solutions in packaging and our manufacturing operations.

Outcomes and actions

- Direct and, through the British Plastics Federation, indirect lobbying and consulting governments on forthcoming requirements, including the UK Plastics Tax response and the Extended Producer Responsibility reform.
- Engaged with RECOUP to test and trial carbon black detection to phase out where possible and gain access to market insight and primary recycling data.
- Signatory to Operation Clean Sweep to reduce plastic pellet loss to the environment.
- Participation in two-year NEXTLOOPP project to develop and trial food-grade recycled polypropylene and establish a secure supply chain.

Principal Board decisions

The table below shows, for each principal decision taken during the period, how the interests of key stakeholders impacted were taken into account.

	Principal decision		
	Factory and machinery upgrade and replacement programme An existing building in Kirkby-in-Ashfield was refurbished at a cost of £0.6m. The building is currently used for storage but is available for manufacturing expansion. In 2020, 11 new injection moulding machines were installed, with benefits in energy usage and process control.	**Rebranding and development of Company purpose and values** The new Robinson verbal and visual brand is modern, relevant and supports the strategic priorities of Customer first, Sustainable growth and Thriving people, while aligning with the future of the industry. The project involved extensive consultation with employees, investors and customers of Robinson.	**Development of sustainability pledge with specific goals** In 2020, we recruited internal sustainability expertise to lead the development of a comprehensive strategy with ambitious goals. This strategy is underpinned by our purpose and integrated into our strategic priorities. Associated key performance indicators (KPIs) have been developed to measure performance.
Customers	New machines enable increased process control and higher quality and reliability to better serve customer needs and improve our responsiveness.	Branding shows confidence and a straightforward approach. Company purpose helps us position ourselves in the marketplace and beyond.	Require subject matter expertise on environmental and social considerations and relevant legislative matters from their suppliers.
Employees	Safer and more modern buildings and equipment improve the daily working environment.	Company purpose underpins everything we do – including helping employees thrive.	Specific People development plan and intense focus on employee safety, health and wellbeing to help our employees thrive.
Investors	New technology uses less energy and makes production cycles faster, increasing efficiency, capacity, and ultimately, return on capital. Additional manufacturing space will benefit investors in the long-term with capacity for further growth.	Focus on long-term sustainable growth, aligned with the future of the industry. Purpose showcases our relevance to existing investors while attracting new investors.	Improved and professional focus on the environmental, social and governance factors that are increasingly important to investors.
Environment	Lower energy consumption and process waste contribute to lower greenhouse gas (GHG) emissions.	Company purpose centred around a sustainable future for our people and the planet.	Goals are focused on delivering benefit and mitigating the environmental impact of our operations and products.

Responding to Covid-19

As a responsible business, we have closely monitored the Covid-19 pandemic, working diligently to ensure the protection of all our colleagues. We are aligned with local public health authorities and follow the latest government guidelines on health and safety measures.

Our approach

We have prioritised keeping our people safe while supplying our customers with essential packaging for food, hygiene, personal care and homecare products. Our entire team has worked tirelessly, going above and beyond to provide a reliable service and meet growing customer demand. We are grateful to our teams that work with commitment and determination to keep customer deliveries on schedule in all our manufacturing facilities during these challenging times.

Our robust Covid-19 management programme includes onsite audits, with continuous employee engagement and communication in all workplaces and for those working at home. We have implemented additional protection measures within all factories, warehouses and offices and always put safety and hygiene before productivity. Two unplanned assessment visits from the health and safety authorities to our sites recognised our diligence and efforts.

Protecting and supporting our employees

We offer all employees private Covid-19 testing (results within 24 hours), medical cover, access to a doctor, personal protective equipment and guidance on how to protect themselves and other people in and out of work. We also provide ongoing support to those feeling isolated and full pay to employees self-isolating or furloughed. All receipts from HMRC under the UK government scheme have been repaid.

There for our customers

The customer is at the centre of everything we produce. In our core markets, we are able to support them with their increased demand for packaging in ambient food, homecare cleaning and personal hand hygiene products. We were able to react quickly to meet the demand, and in some cases, commission new tools and equipment. Thanks to our strong partnerships, we have worked hard to consistently provide packaging solutions and services that secure long-term loyalty and the opportunity to grow our collective businesses while keeping everyone safe.

Supporting the communities in which we operate

We are committed to delivering real social and environmental benefits to our communities. Our UK and Polish plastics businesses are considered key industries within the food sector, critical for ensuring that our nations have access to food.

For the community of Robinson & Sons Ltd pensioners, we have ensured that they have continuous support, food supplies and someone to talk to, led by our Welfare Officer.

Performance overview

Key performance indicators

We align our KPIs with our three strategic priorities and sustainability pledge to monitor financial and non-financial performance and value creation.

Customer first   Sustainable growth   Thriving people

Pages 10 and 11: Our business strategy

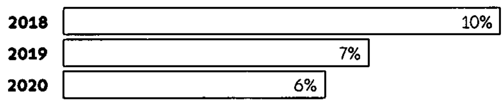
Financial KPIs

Revenue growth

Our performance in our strategic priority of 'Customer first'.

Performance in 2020
Revenue growth of 6% included the effect of falling resin prices – underlying volumes were up by 8%.

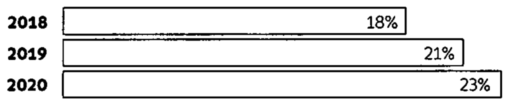
Goal
Above-market profitable growth.



Gross profit margin

Demonstrates the Group's profitability from its manufacturing operations.

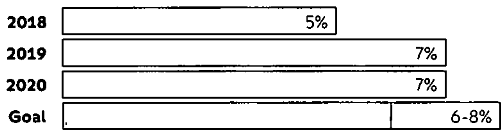
Performance in 2020
Gross margins improved during the year due to falling resin prices not yet fully passed through to customers, the effect of efficiencies in operations and revenue from value-added services.



Adjusted operating margin*

Demonstrates the Group's ability to turn revenue into profits.

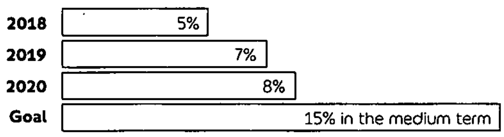
Performance in 2020
Overall adjusted operating margins improved slightly during the year due to increased gross margins, partially offset by increases in operating costs.



Post-tax return on capital employed**

Financial return from all of the capital invested in the business. A return higher than the Group's weighted average cost of capital is satisfactory.

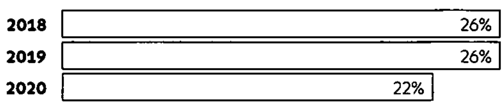
Performance in 2020
The return on capital employed increased slightly compared with the prior year as profits were higher and capital employed was lower.



Working capital as a % of sales***

Revenue required to fund the working capital cycle.

Performance in 2020
Overall working capital levels were lower in the year despite higher revenues, helped by the impact of lower resin prices. The Group also benefited from the UK government's scheme to defer VAT payments from Q1 2020.



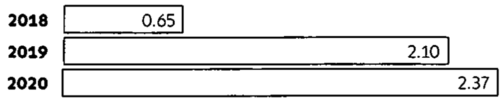
Non-financial KPIs

Lost time accidents per 100 employees

Provides a measure of the likelihood of an employee having an accident that results in time off work.

Performance in 2020
There were eight lost time accidents in the year, compared with seven in 2019. This level is not acceptable. To improve, we are applying a safety-first culture. We will focus on achieving zero accidents in the workplace by implementing formalised, behaviour-based safety programmes, encouraging our people to report near-misses and carrying out on-the-job checks through risk assessments.

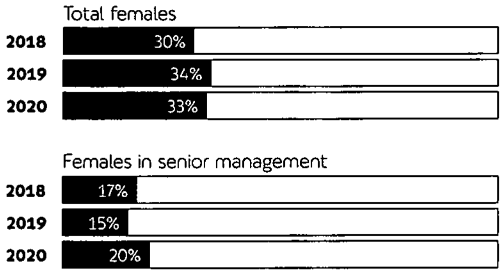
Goal
The Group continues to target zero lost time accidents.



Gender diversity

Number of females in total and in senior management positions as a % of our total employees.

Performance in 2020
The number of females in senior management positions increased during the year. We recognise the need for equal opportunities and to bring in experiences from a variety of perspectives and backgrounds. We are committed to improving the diversity of the Group as a whole and will always seek a balanced slate when recruiting.

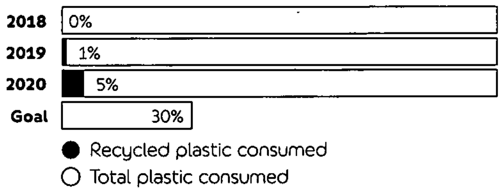


Post-consumer recycled content

Level of recycled material in our packaging products.

Performance in 2020
Overall usage of post-consumer recycled (PCR) material increased during the year. As there are supply constraints for high-quality PCR, we are actively seeking secondary supply sources. In addition, mechanically recycled polypropylene (rPP) does not meet food-grade requirements. We have joined the NEXTLOOPP project to develop a supply chain of food-grade rPP from mechanical recycling. Chemically recycled food-grade rPP is currently not commercially available.

Goal
100% recycled content in paperboard packaging and a minimum of 30% recycled content in plastic packaging by 2022.



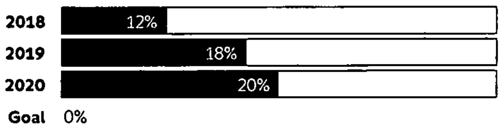
This shows our performance in plastic packaging. In paperboard, we have reached 100% recycled content. Our paper is made from sustainable sources and we are pursuing FSC certification.

Waste to landfill

Amount of operational waste that is not recycled. Waste that is not recycled is sent to landfill.

Performance in 2020
We are implementing systems and processes to maximise our raw material efficiency, reuse our post-industrial waste and identify increased end markets to eliminate our waste to landfill. We are also signed up to the Operation Clean Sweep initiative to prevent plastic loss from our operations into the environment.

Goal
Zero waste to landfill by 2021.

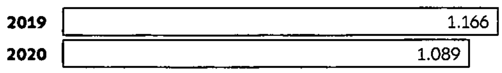


GHG intensity

Measure for the total amount of carbon dioxide equivalent (Scope 1 and Scope 2) produced per tonne of material processed.

Performance in 2020
GHG intensity reduced in 2020 as a result of investments in energy-efficient equipment and processes.

Goal
Net positive by 2030.



*Operating profit margin before amortisation of intangible assets.
**Operating profit before amortisation of intangible assets (£2,688k) less taxation (£343k) divided by the average, current year (£30,269k) and prior year (£29,869k), capital employed (net assets less net debt).
***Inventory + trade receivables – trade payables.

Streamlined Energy and Carbon Reporting (SECR)

The SECR regulations require UK companies to report on their energy use and carbon emissions. The Group has voluntarily chosen to disclose its total emissions for transparency and accountability in delivering its reduction targets. As permitted by the SECR, the Group has not disclosed any comparative information as this is the first-year reporting under the SECR regulations.

The Group reports Scope 1, 2 and 3 emissions in tonnes of carbon dioxide equivalent (tCO_2e):

- Scope 1 covers direct emissions: those that emanate directly from Group operations. This is principally natural gas burned for heating and fuel used in company-owned vehicles.
- Scope 2 covers indirect emissions: those generated by key suppliers, principally electricity.
- Scope 3 covers other indirect emissions: those as a result of Group activities occurring from sources not owned or controlled by the Group in particular, such as emissions from business travel or employee-owned vehicles where the Group is responsible for the fuel purchase.

	Group 2020		UK 2020		Poland 2020	
	kWh 000s	**tCO_2e**	**kWh 000s**	**tCO_2e**	**kWh 000s**	**tCO_2e**
Electricity	22,773	11,406	10,225	2,384	12,548	9,022
Gas	1,462	269	1,194	220	268	49
Transport	388	92	90	22	298	71
TOTAL	**24,623**	**11,767**	**11,509**	**2,626**	**13,114**	**9,142**
Intensity (tonnes CO_2e per tonne of plastic polymer)		0.97		0.45		1.45
Intensity (tonnes CO_2e per £'000 revenue)		0.32		0.13		0.55

Electricity is the Group's largest source of CO_2e emissions, providing heat, light and power for premises, facilities and other plant and equipment. CO_2e emission factors are fundamentally dependent on the source of electricity. Poland has a higher proportion of coal-fired power stations compared with the UK. As such, the CO_2e emission factor per kWh for Poland is significantly higher, resulting in higher CO_2e emissions. The Group is focused on what it can control, including kWh usage in its manufacturing.

Tonnes of CO_2e per tonne of plastic polymer consumed and per £'000 of revenue are used as measures of intensity. The Group aims to reduce its total intensity over time and has a public GHG target to become net positive by 2030.

The Group has invested in energy-saving initiatives in 2020, including:

- 11 new hybrid injection moulding machines, delivering up to 40% energy and associated carbon savings compared to hydraulic machines;
- a water-cooling system at our Kirkby-in-Ashfield site that uses energy recovered to heat the warehouse; and
- the latest LED lighting in all our UK factories.

After mapping our energy use for most of our operations, we are running a much more detailed and comprehensive exercise to determine exactly where and how much energy we are using.

Methodology note: the Group has implemented the UK government guidance on measuring and reporting GHG emissions, in line with DEFRA guidelines, using conversion units published in the UK Government GHG Conversion Factors for Company Reporting 2020. Emissions in Poland have been converted using rates from The National Centre for Emissions Management (KOBiZE) for 2020.

Electricity and gas: calculated from supplier invoices using metered kWh data. Gas data from Poland has been converted using UK rates as the KOBiZE does not report on these annually.

Transport: calculated based on the volume of fuel purchased and mileage claims details. The volume of fuel has been converted to kWh using the UK government conversion factors. For mileage claims, details of the company vehicles were unknown; therefore, CO_2e emissions were estimated based on typical car type and average fuel usage.

The strategic report was approved by the Board of Directors on 24 March 2021 and is signed on its behalf by:

Mike Cusick

Mike Cusick
Director

Corporate governance report

Board of Directors

Executive Directors

Helene Roberts
CEO

Appointed to the Board:
November 2019

Helene has extensive knowledge of sustainable materials technology, global sales, marketing and innovation and people leadership. She has a degree in Materials Engineering and a PhD in Polymer Engineering. Helene's career started with M&S, initially as a Materials Technologist before spending seven years as food and drink Head of Packaging.

Since 2011, Helene has worked for several packaging converters. Most recently Helene was Managing Director at Klöckner Pentaplast, responsible for the UK, Ireland and Australian business.

Committees:
Nomination

Guy Robinson
Property Director

Appointed to the Board:
January 1995

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 Financial Controller and Packaging Division Financial Director and was appointed Finance Director in 1995, a position that he held until 1 January 2021 when he was appointed Property Director.

Mike Cusick
Finance Director

Appointed to the Board:
January 2019

A qualified management accountant, Mike joined Robinson in 2015. Previously he was Group Commercial Finance Director, responsible for the post-acquisition integration of the Madrox business in Poland, and new commercial systems across the Group.

Prior to joining Robinson, Mike gained international financial experience during eight years in various finance roles at SIG plc, latterly as Financial Controller, Mainland Europe. Mike was appointed Finance Director on 1 January 2021.

Non-Executive Directors

Alan Raleigh
Independent Non-Executive Chairman

Appointed to the Board:
August 2015

After gaining a BSc (Hons) in Production Engineering and Production Management from Strathclyde University, Alan spent much of his career with Unilever plc holding a variety of senior positions in the UK, US and Japan. He was Executive Vice President, Personal Care Supply Chain until 2016.

Other roles:
Non-Executive Director of Cloetta, a Swedish confectionery company listed on the Stockholm Stock Exchange. Alan is also a member of the Board of Trustees of the Chartered Institute of Procurement and Supply.

Committees:
Nomination (Chair), Audit and Risk, Remuneration

Sara Halton
Senior Independent Non-Executive Director

Appointed to the Board:
January 2019

Sara has held key senior executive positions at well-known British brands, including CEO of Molton Brown. She brings a wealth of experience in driving strategic growth for global brands. Sara is a Chartered Accountant having gained an MSc in Economics and a Econometrics, and a BSc in Economics at the University of Southampton.

Other roles:
Non-Executive Director of Roys of Wroxham an independent chain of retail outlets based in Norfolk.

Committees:
Nomination, Audit and Risk (Chair), Remuneration

Anthony Glossop
Non-Executive Director

Appointed to the Board:
January 1995

After qualifying as a solicitor, Anthony entered the industry as a company secretary. He became CEO of a West Midlands engineering group. During the engineering recession of the 1980s, he steered that group into what is now St Modwen Properties, of which he was CEO and then Chairman.

Other roles:
Anthony is a Trustee of a number of local and church charities.

Committees:
Nomination, Audit and Risk, Remuneration (Chair)

Chairman's statement

The Group applies the Quoted Companies Alliance's Corporate Governance Code (QCA Code). .

As Chairman, it is my responsibility to ensure the Company complies with the QCA Code and, where the Company deviates from it, to explain why the Directors believe this to be in the best interests of the Company. In this section, we share the Company's good corporate governance structure and, where our approach differs from the QCA Code, we provide an appropriate explanation. More information on our approach to the 10 principles of the QCA Code can be found in the investor section on our website.

Governance structure

The Robinson Board recognises the importance of effective corporate governance in supporting the long-term success and sustainability of the business.

Robinson plc Group Board
Meets monthly
Chaired by Alan Raleigh
Responsible for developing the strategy and overall leadership of the Group within a robust framework of internal control and corporate governance. Monitors the culture, values and standards that are embedded throughout the business to deliver long-term sustainable growth for the benefit of our shareholders and other stakeholders.

Nomination Committee
Meets twice per year
Chaired by Alan Raleigh
See page 30 for more information

Remuneration Committee
Meets twice per year
Chaired by Anthony Glossop
See page 30 for more information

Audit and Risk Committee
Meets four times per year
Chaired by Sara Halton
See page 30 for more information

Senior Executive Committee
Meets monthly
Chaired by Helene Roberts
Responsible for strategy execution, day-to-day operation of the business and all matters that have not been reserved for the Board.

Operating businesses

Board of Directors

The Company supports the concept of an effective Board leading the Group. The Board is responsible for approving Group policy and strategy with the aim of developing the business profitably, while assessing and managing the associated risks. 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 reviews its performance as an integral part of each Board meeting and appraises the performance of each Director.

The Board has a written statement of its responsibilities and there are written terms of reference for the Nomination, Remuneration and Audit and Risk Committees. These are available for reference on the Robinson website.

The Board meets regularly on dates agreed each year for the calendar year ahead. The Board met 12 times in 2020 and plans to meet 12 times in 2021 – additional meetings can be called as and when deemed necessary. A formal schedule of matters requiring Board approval is maintained covering such areas as strategy, approval of budgets, financial results, Board appointments and dividend policy.

The Board consists of a Non-Executive Chairman, two other Non-Executive Directors, a CEO, a Finance Director and a Property Director. The Chairman of the Board is Alan Raleigh and the Group's business is run by the CEO (Helene Roberts), the Finance Director (Mike Cusick) and the Property Director (Guy Robinson).

The Board considers that both Alan Raleigh and Sara Halton are independent, but Anthony Glossop is not due to his length of service with the Company.

The Board has determined that, as a whole, it has a complementary set of skills and experience as follows:

	Principal skills and experience						
Board Member	**Packaging industry**	**Manufacturing**	**Multi-geography operations**	**Sustainability**	**Finance**	**Marketing**	**Property**
Alan Raleigh	✔✔✔	✔✔✔	✔✔✔	✔✔	✔	✔	
Helene Roberts	✔✔✔	✔✔	✔✔✔	✔✔✔	✔	✔✔✔	
Guy Robinson	✔✔	✔✔	✔✔✔		✔✔✔		✔✔
Mike Cusick	✔	✔	✔✔✔		✔✔✔		
Sara Halton	✔✔	✔	✔✔✔	✔✔	✔✔✔	✔✔✔	
Anthony Glossop	✔✔	✔✔	✔✔✔		✔		✔✔✔

The Company Secretary is responsible for ensuring that Board procedures are followed and for compliance with all applicable rules and regulations. Guy Robinson, who is also the Property Director, performs the role of Company Secretary, providing an internal advisory role to the Board. The QCA's guidelines state that the role of Company Secretary should not be held by an Executive Director, and as such, the Company does not currently comply with this requirement. It is the Board's view that the size and complexity of the business does not necessitate a separate role of Company Secretary at present. Guy Robinson is supported and guided in this role by the Company's legal advisors. This position will be kept under review by the Board. Following Guy Robinson's transition to a Non-Executive role in 2021, Mike Cusick will take up the role of Company Secretary.

The Senior Independent Director (SID) acts as a sounding board and intermediary for the Chair and other Board members. The SID is responsible for leading the performance evaluation of the Chair, the search for a new chair and chairing meetings of the Non-Executive Directors without the Chair being present. Sara Halton was appointed as the SID in September 2020.

Board evaluation and effectiveness

A formal review of the effectiveness of the Board was concluded during the year. The purpose was to perform a comprehensive, independent and objective evaluation of the effectiveness and performance of the Board and its three committees, reflecting the provisions of:

- the QCA Code;
- the key principles of the UK Corporate Governance Code (2018);
- the UK Financial Reporting Council (FRC) guidance on board and committee effectiveness (2018); and
- internationally recognised board best practices.

In line with best practice, this evaluation was externally and independently facilitated by Board Excellence Limited, which has no connection with the Company or any individual Director. The evaluation consisted of an extensive online Board questionnaire, one-to-one meetings with each Director, a review of 12 months of Board meeting materials and attendance at one full Board and Committee meeting. All Directors fully engaged in the process and the anonymity of respondents in both the online survey and one-to-one meetings was ensured in order to promote an open and candid exchange of views.

The evaluation identified areas of strength in the way that the Board currently operates and some areas for enhancement.

Key strengths of the Board
Some key themes with quotes from the external assessment are summarised below:

Chair leadership and the relationship between the Chair and CEO:
"The Board Chair - CEO relationship in Robinson is excellent and is quite close to the ideal model. This relationship is at the very core of why the Robinson Board team are performing at a high level today."

Oversight of Executive team and approach of Executive team to the Board:
"The level and quality of oversight in the Robinson Board team is high and the Non-Executive Directors are performing well in discharging their oversight duties and responsibilities. Great credit is due to the CEO who has a very progressive understanding of the Board's role and responsibilities, and demonstrates the highest levels of accountability, openness and respect for the Board and has genuinely championed her CEO's responsibility to enable this partnership model."

Dynamics between the Executive and Non-Executive Directors:
"I believe that there is today a genuine healthy partnership model in place between the Board Chair and Non-Executive Directors with the CEO/Executive team that represents the foundations of the Robinson Board team growing together as an exceptional high-performing Board team."

Culture, ethics, values and behaviours:
"The overriding impression is that of an organisation which has a deep commitment to the highest standards of behaviours, ethics, integrity and values."

Strategy development, monitoring and execution:
"As the Robinson Board and Executive team continue to build momentum on their Board-Executive team partnership model, there is an exciting opportunity to embrace this modern progressive approach to strategy as it evolves its strategy over the coming months and years."

Key areas identified for enhancement

Area	Detail	Proposed actions
Board reporting	Prioritise strategic discussions as the first item on the agenda.	New Board reporting pack implemented in January 2021 with a prioritised strategic focus.
Risk management	Evaluate opportunities to improve assurance of internal controls, including the potential to implement an internal audit capability. Include risk assessment as part of Audit Committee remit to increase focus on risk management. Increase focus on IT security at Board level.	Assessment of need for internal audit included in brief to Mazars LLP for the 2020 Audit. Audit and Risk Committee remit updated to include risk and Sara Halton appointed Chair. New IT security protocols introduced.
Board committees	Ensure Board committees are organised to further support and complement the activity of the main Board through clearer delineation of their work and meeting calendar. Revise committee chairmanship and membership to align with latest best practice. Enhance processes and procedures to support revised membership, remit and interaction with the main Board.	Committee membership, leadership and terms of reference have been updated. An annual diary of committee meetings has been implemented to ensure alignment with key topics on the Board calendar.
External insights	Strengthen strategy, innovation and thought leadership capability and processes by bringing a wider range of external expertise to the Board, possibly through an Advisory Committee.	The Nomination Committee will consider the balance of future expertise on the Board and bring specific external insight through an outside-in process as appropriate.
Investor relations	Whole Board engagement with existing and potential shareholders.	Investor relations process to be reviewed in 2021 including further engagement by the Chairman and Non-Executives.
Human resources and people	Shift to being a modern progressive employer of choice.	Board agendas to include routine discussions on people and implementation of People development plan.

In summary, the external assessment concluded that *"the Robinson Board team are making great progress and there is an exciting opportunity for the Robinson Board to evolve as a very strategic high-performing Board team that adds significant value to the Company, shareholders, Executive team, employees and stakeholders."*

Committees of the Board

Remuneration Committee report

The Remuneration Committee is chaired by Anthony Glossop and includes Alan Raleigh and Sara Halton. 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 meets at least twice and as often as required during the year and is responsible for:

- establishing and maintaining formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and monitoring and reporting on them;
- determining the remuneration, including pension arrangements, of the Directors; and
- determining the basis of Executive Director service agreements, having due regard for the interests of the shareholders.

The Directors' remuneration report includes the Directors' remuneration and further detail on the work carried out during the year.

Audit and Risk Committee report

The Audit and Risk Committee is chaired by Sara Halton and includes Anthony Glossop and Alan Raleigh. This Committee 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.

The primary function of the Committee is to assist the Board in fulfilling its responsibilities regarding the integrity of financial reporting, audit, risk management and internal controls. This comprises:

- monitoring and reviewing the Group's accounting policies, practices and significant accounting judgements; and
- reviewing the annual and interim financial statements and any public financial announcements and advising the Board on whether the annual report and accounts are fair, balanced and understandable.

In relation to the external audit:

- approving the appointment and recommending the reappointment of the external auditor and its terms of engagement and fees;
- considering the scope of work to be undertaken by the external auditor and reviewing the results of that work;
- reviewing and monitoring the independence of the external auditor and approving its provision of non-audit services;
- monitoring and reviewing the effectiveness of the external auditor;
- monitoring and reviewing the adequacy and effectiveness of the risk management systems and processes; and
- assessing and advising the Board on the internal financial, operational and compliance controls.

Nomination Committee report

The Nomination Committee is chaired by Alan Raleigh and includes Anthony Glossop, Sara Halton and Helene Roberts. This Committee will meet at least twice per year and reviews the Board's structure, size and composition. It is also responsible for succession planning for Directors and other senior executives.

The key responsibilities of the Committee are:

- assessing whether the size, structure and composition of the Board (including its skills, knowledge, experience, independence and diversity) continue to meet the Group's business and strategic needs;
- examining succession planning for Directors and other senior executives and for the key roles of Chairman of the Board and CEO; and
- identifying and nominating for approval by the Board, candidates to fill Board vacancies as and when they arise, together with leading the process for such appointments.

Committee activities and Board changes during the year:

During the year, the Committee recommended that Sara Halton was appointed as the Senior Independent Director and Chair of the Audit and Risk Committee. A plan was agreed for the transition of the Finance Director role from Guy Robinson to Mike Cusick with effect from 1 January 2021, at which time Guy Robinson assumed the role of Property Director until transitioning to a Non-Executive role at the 2021 AGM, and Anthony Glossop will retire as a Non-Executive Director at that point.

Attendance at Board and Committee meetings

The Executive Directors work on a full-time basis within the business. The Chair is expected to devote on average three to four days per month and other Non-Executive Directors two to three days per month to the Company. The attendance at meetings for the year was as follows:

2020	Board	Audit Committee	Remuneration Committee	Nomination Committee	Attendance*
Number of meetings	12	3	5	1	
Alan Raleigh	12	3	5	1	100%
Helene Roberts	12	3	5	1	100%
Guy Robinson	12	3	4	1	100%
Mike Cusick	12	3	4	1	100%
Anthony Glossop	12	3	5	1	100%
Sara Halton	12	3	5	1	100%

*Measured against meetings for which Directors were invited to attend

Internal control

The Board recognises its responsibility for maintaining systems of internal control and reviewing their effectiveness.

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.

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

- a management structure and written procedures that clearly define the expected 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 and Risk Committee that regularly reviews the relationship with and matters arising from the external auditors.

On behalf of the Board,

Alan Raleigh
Chairman
24 March 2021

Directors' remuneration report

On behalf of the Remuneration Committee, I am pleased to present the Directors' remuneration report for the year. This report sets out the Company's remuneration policy for the Directors and explains how this policy was applied during the financial year to 31 December 2020.

Remuneration policy

Executive Directors

The remuneration policy has been designed to ensure that Executive Directors receive appropriate incentive and reward given their performance, responsibility and experience. When assessing this, the Committee seeks to ensure that the policy aligns the interests of the Executive Directors with those of the shareholders and links to the future strategy of the business.

The Company's remuneration policy for Executive Directors is:

- to consider the individual's experience and the nature and complexity of their work in order to set a competitive base salary that attracts and retains individuals of the appropriate quality, while avoiding remunerating more than is necessary;
- in the absence of changes in performance, responsibility or experience, to align annual adjustments in line with general adjustments to employees' remuneration within the Group;
- to link remuneration packages to the Group's long-term performance through both bonus schemes and share plans;
- to set performance measures that are simple to understand, easy to measure, unambiguous and consistent with the Group's future strategy and performance measures throughout the Group;
- to set an appropriate balance between fixed and variable pay; and
- to provide post-retirement benefits through pension arrangements and/or salary supplements.

Executive Directors remuneration packages are considered annually by the Committee in line with this policy.

Base salary

Base salary is normally reviewed annually in December. Within the review process, the Committee takes account of the profitability and ongoing progress of the Group and the individual's contribution, as well as changes in responsibility and experience. Consideration is also given to the need to retain and motivate individuals with reference made to available information on salary levels in comparable organisations. To assist in this process, the Committee draws on the findings of external salary surveys and undertakes its own research.

Annual performance incentive

The performance of Executive Directors is evaluated by the Committee with a view to ensuring that there is a strong link between performance and reward. The Executive Directors are eligible to receive, at the discretion of the Committee, an annual bonus capped at 70% of base salary excluding any salary supplements in lieu of pension contributions. The Committee considers the implementation of bonus awards based upon corporate financial targets and personal objective measures that align with the long-term interests of the shareholders and the Group's three-year plan. Stretching and transparent but deliverable targets are put in place with a view to clearly link the motivation of individuals with the value drivers and attitude to risk of the business.

Pensions and other benefits

The Company makes a pension contribution of up to 10% of base salary to Executive Directors, or where pension contributions are not appropriate, a salary supplement in lieu. Other benefits provided are a company car or car allowance, life assurance and private medical insurance.

Share awards

Executive Directors may, at the discretion of the Committee, be granted share option awards. The current scheme allows the granting of market-priced options, so the individual can only benefit if the shareholders have also benefited by an increase in the share price.

Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Board as a whole based on current practice in equivalent companies. The Non-Executive Directors do not receive any pension payments or participate in any incentive or share award scheme.

Wider employee considerations

Although it is not the Committee's responsibility to set the remuneration arrangements across the Group, it is kept informed of these so it can ensure that the Directors' remuneration policy is consistent with remuneration practices in the Group. The CEO is required to obtain the approval of the Committee for her proposals for the remuneration of her direct reports. They and other members of the management team can qualify for a bonus that largely follows the same structure and applies similar performance targets as for Executive Directors. These arrangements are reviewed by the Committee to ensure that Executive Directors and management are committed to achieving the same strategic goals.

Shareholder engagement

The Committee seeks the views of shareholders on remuneration on an ongoing basis and they are invited to make contact with the Chairman of the Committee at any time should they wish to do so.

Remuneration Committee advice

In undertaking its responsibilities, the Committee takes independent external advice from a variety of sources and surveys but, in the present year, did not incur any cost in doing so.

Annual remuneration statement

The Directors received the following remuneration during the year to 31 December 2020.

	Base salary £'000	Other benefits £'000	Bonus £'000	Pension £'000	Total 2020 £'000	Total 2019 £'000
Helene Roberts	240	27	59	24	**350**	45
Guy Robinson	154	12	33	-	**199**	182
Mike Cusick	110	12	25	11	**158**	137
Alan Raleigh	60	-	-	-	**60**	60
Anthony Glossop	45	-	-	-	**45**	45
Sara Halton	40	-	-	-	**40**	40
Martin McGee	-	-	-	-	**-**	382
2020	**649**	**51**	**117**	**35**	**852**	
2019	625	35	185	46		891

Other benefits include a company car allowance, private medical insurance and IFRS 2 charge on share-based payments.

Helene Roberts receives a pension allowance equivalent to 10% of basic pay. Mike Cusick is a member of a money purchase pension plan and the Company contributes at a rate of 10% of salary.

Annual performance incentive

Details of the annual bonuses achieved by the Executive Directors for the year ended 31 December 2020, as a percentage of salary, are as follows: Helene Roberts 25% (2019: N/A); Guy Robinson 21% (2019: 14%); and Mike Cusick 23% (2019: 14%).

Average pay

The mean pay of our males across the Group is 1.3 times higher than the mean pay of females. The average pay of our CEO in the year was 13.7 times greater than the average pay of all Group staff.

Directors' share options

Details of outstanding share options on 0.5p ordinary shares are as follows:

	Original grant	Unexercised options at 31 Dec 2019	Granted in the year	Exercised in the year	Lapsed or cancelled in the year	Unexercised options at 31 Dec 2020	Exercise price	Earliest date of exercise	Date of expiry
Helene Roberts	300,000	-	300,000	-	-	300,000	118.5p	17-Jul-23	16-Jul-30
	300,000	-	300,000	-	-	300,000	118.5p	17-Jul-25	16-Jul-30
Guy Robinson	140,056	140,056	-	-	-	140,056	69p	15-Nov-16	14-Nov-23
	67,494	67,494	-	-	-	67,494	202p	08-Apr-17	07-Apr-24
Mike Cusick	58,000	58,000	-	-	-	58,000	130p	12-May-20	11-May-27
Directors' share options	**865,550**	**265,550**	**600,000**	-	-	**865,550**			
Other key managers	75,000	75,000	-	-	-	**75,000**	130p	12-May-20	11-May-27
Total share options	**940,550**	**340,550**	**600,000**	-	-	**940,550**			

340,550 options were exercisable at 31 December 2020. The market value of the shares at 31 December 2020 was 153.5p per share.

Directors shareholdings

The Directors together with their interests in 0.5p ordinary shares in Robinson plc, were as follows:

	31 December 2020	31 December 2019
Guy Robinson	**1,212,601**	1,212,601
Anthony Glossop	**196,922**	196,922
Alan Raleigh	**36,145**	36,145
Sara Halton	**12,049**	12,049
Mike Cusick	**5,458**	5,458
Helene Roberts	**3,455**	Nil

No director had any interest in the shares of any other Group company.

Anthony Glossop
Remuneration Committee Chairman
24 March 2021

Directors' report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2020. The financial statements of the Group and the Company have been prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union.

Results and dividends

A review of the Group's performance for the year ended 31 December 2020 is included in the Chairman's statement and in the Strategic report.

The Directors recommend a final dividend of 3.0p per share to be paid on 16 July 2021 to shareholders on the register on 2 July 2021. Further details of dividend payments during the year are included in note 7 to the financial statements.

Directors and their interests

The Directors, who held office during the year, were Alan Raleigh, Helene Roberts, Guy Robinson, Mike Cusick, Anthony Glossop and Sara Halton. The biographical details of all Directors are included in the Corporate governance report.

Information on the Directors' remuneration and service contracts is provided in the Directors' remuneration report. The beneficial interests of the Directors in the share capital of the Company are shown in the Directors' remuneration report.

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 best-practice corporate governance, all Directors retire and, with the exception of Anthony Glossop, offer themselves for re-election at the AGM. Further details concerning Directors are provided in the Corporate governance report.

Employee communication

The Directors recognise the need to ensure effective communication with employees. During the year, they were provided with financial and other information affecting the Company and its various operations by means of the in-house magazine, briefings and newsletters. Consultative committees in the different areas of the Company enabled the views of employees to be heard and considered when making decisions likely to affect their interests. The Board will continue to review the effectiveness of communications to key stakeholders, including employees. Further details on engagement with key stakeholders during the period are provided in the Section 172(1) statement included in the Strategic report.

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 for training and career development.

Financial risk management objectives and policies

Information on the Group's financial risk management objectives, policies and activities, and on the exposure of the Group to relevant risks in respect of financial instruments, is set out in note 23 to the financial statements and in the Strategic report.

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.

As part of the acquisition of Schela Plast in February 2021, the Group arranged new credit facilities with existing bankers HSBC Bank UK. An existing £8m overdraft was replaced with a £6m commercial mortgage committed for three years and £6m of other short-term facilities that are due for renewal in February 2022. 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 facilities.

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. Further details are provided in note 32 to the accounts.

Future developments

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

Subsequent events

See note 29 to the financial statements for reference to the acquisition of the entire share capital of Schela Plast. There have been no other events since the balance sheet date that would have had a material impact on the financial statements.

Capital structure

As set out in note 21 to the financial statements, 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 shares 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 in the Directors' remuneration report.

Persons with a shareholding of over 3% in the Company as at 31 December 2020 were:

	Total shares	**%**
C W G Robinson	1,212,601	7.3%
S J Robinson	685,645	4.1%
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%

Business relationships

Details on how the Directors' have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken, are provided in the Section 172(1) statement included in the Strategic report.

Energy and carbon reporting

A report on the Group's energy usage and greenhouse gas emissions is provided in the Strategic report.

Annual General Meeting

The notice convening the Company's 2021 AGM for 11:30 am on 24 June 2021 is set out in a separate document provided on page 74 and is available on the Group's website at robinsonpackaging.com. The Annual report for the year ended 31 December 2020 is available from the Group's website.

Independent auditor

On the recommendation of the Audit and Risk Committee, in accordance with Section 489 of the Act, resolutions are to be proposed at the AGM for the re-appointment of Mazars LLP as auditor of the Company and to authorise the Directors to determine their remuneration. The remuneration of the auditor for the year ended 31 December 2020 is disclosed in note 4 to the financial statements.

Branches outside the UK

The Company holds indirect investments in one unlisted company incorporated in Poland and one unlisted company incorporated in Denmark. Further details are provided in note 13 to the financial statements.

Auditor

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

- 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 they ought to have taken as a Director to make themselves 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' remuneration report, Corporate governance 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 IFRS, as adopted by the EU 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 judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the EU 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.

On behalf of the Board,

Mike Cusick

Mike Cusick
Director
24 March 2021

Financial statements

Group income statement and statement of comprehensive income

Group income statement	Note	2020 £'000	2019 £'000
Revenue	1	**37,203**	35,085
Cost of sales		**(28,637)**	(27,593)
Gross profit		**8,566**	7,492
Operating costs	2	**(5,878)**	(4,971)
Operating profit before amortisation of intangible assets		**2,688**	2,521
Amortisation of intangible assets	11	**(809)**	(810)
Operating profit		**1,879**	1,711
Finance income – interest receivable		**1**	-
Finance costs	3	**(128)**	(205)
Profit before taxation	4	**1,752**	1,506
Taxation	6	**(343)**	(296)
Profit for the period		**1,409**	1,210
Earnings per ordinary share (EPS)		**p**	p
Basic earnings per share	8	**8.5**	7.3
Diluted earnings per share	8	**8.4**	7.3

All results are from continuing operations.

Group statement of comprehensive income	Note	2020 £'000	2019 £'000
Profit for the period		**1,409**	1,210
Items that will not be reclassified subsequently to the income statement:			
Remeasurement of net defined benefit liability	30	**180**	145
Deferred tax relating to items not reclassified		**(34)**	(28)
		146	117
Items that may be reclassified subsequently to the income statement:			
Exchange differences on translation of foreign currency goodwill and intangibles		**(55)**	148
Exchange differences on translation of foreign currency deferred tax balances		**7**	(22)
Exchange differences on translation of foreign operations		**(163)**	(580)
		(211)	(454)
Other comprehensive (expense)/income for the period		**(65)**	(337)
Total comprehensive income for the period		**1,344**	873

Notes 1 to 32 form an integral part of the financial statements.

Statement of financial position as at 31 December

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Non-current assets					
Goodwill	10	**1,127**	1,144	**-**	-
Other intangible assets	11	**2,769**	3,616	**-**	-
Property, plant and equipment	12	**20,873**	18,338	**9,715**	9,233
Investments in subsidiaries	13	**-**	-	**14,578**	19,747
Deferred tax assets	17	**978**	937	**561**	508
		25,747	24,035	**24,854**	29,488
Current assets					
Inventories	14	**3,110**	2,765	**-**	-
Trade and other receivables	15	**9,185**	9,646	**1,028**	458
Cash at bank and on hand		**1,386**	1,403	**839**	325
		13,681	13,814	**1,867**	783
Total assets		**39,428**	37,849	**26,721**	30,271
Current liabilities					
Trade and other payables	16	**6,489**	5,063	**6,422**	5,846
Borrowings	18	**3,260**	3,710	**-**	1,164
Current tax liabilities		**69**	255	**-**	-
		9,818	9,028	**6,422**	7,010
Non-current liabilities					
Borrowings	18	**4,991**	4,639	**2,700**	2,700
Deferred tax liabilities	17	**1,042**	1,090	**16**	-
Amounts due to Group undertakings		**-**	-	**4,829**	8,249
Provisions	20	**173**	169	**173**	169
		6,206	5,898	**7,718**	11,118
Total liabilities		**16,024**	14,926	**14,140**	18,128
Net assets		**23,404**	22,923	**12,581**	12,143
Equity					
Share capital	21	**83**	83	**83**	83
Share premium		**732**	732	**732**	732
Capital redemption reserve		**216**	216	**216**	216
Translation reserve		**161**	372	**-**	-
Revaluation reserve		**4,133**	4,134	**390**	391
Retained earnings	22	**18,079**	17,386	**11,160**	10,721
Equity attributable to shareholders		**23,404**	22,923	**12,581**	12,143

As permitted by section 408 of the Companies Act 2006, the parent Company's income statement has not been included in these financial statements and its profit for the financial year after tax amounted to £1,152,000 (2019: loss £364,000).

Notes 1 to 32 form an integral part of the financial statements. The financial statements were approved by the Board of Directors on 24 March 2021 and were signed on its behalf by:

Mike Cusick

Helene Roberts
Director
Registered in England number 39811

Mike Cusick
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 2019	83	732	216	826	4,126	16,945	22,928
Profit for the year	-	-	-	-	-	1,210	1,210
Other comprehensive income/(expense)	-	-	-	(454)	-	117	(337)
Transfer from revaluation reserve as a result of property transactions	-	-	-	-	8	(8)	-
Credit in respect of share-based payments	-	-	-	-	-	12	12
Total comprehensive income for the year	-	-	-	(454)	8	1,331	885
Dividends paid	-	-	-	-	-	(890)	(890)
Transactions with owners	-	-	-	-	-	(890)	(890)
At 31 December 2019	83	732	216	372	4,134	17,386	22,923
Profit for the year	-	-	-	-	-	1,409	1,409
Other comprehensive income/(expense)	-	-	-	(211)	-	146	(65)
Transfer from revaluation reserve as a result of property transactions	-	-	-	-	(1)	(3)	(4)
Credit in respect of share-based payments	-	-	-	-	-	31	31
Total comprehensive income for the year	-	-	-	(211)	(1)	1,583	1,371
Dividends paid	-	-	-	-	-	(890)	(890)
Transactions with owners	-	-	-	-	-	(890)	(890)
At 31 December 2020	**83**	**732**	**216**	**161**	**4,133**	**18,079**	**23,404**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Company							
At 1 January 2019	83	732	216	-	388	11,849	13,268
Loss for the year	-	-	-	-	-	(364)	(364)
Other comprehensive income	-	-	-	-	-	117	117
Transfer from revaluation reserve as a result of property transactions	-	-	-	-	3	(3)	-
Credit in respect of share-based payments	-	-	-	-	-	12	12
Total comprehensive income for the year	-	-	-	-	3	(238)	(235)
Dividends paid	-	-	-	-	-	(890)	(890)
Transactions with owners	-	-	-	-	-	(890)	(890)
At 31 December 2019	83	732	216	-	391	10,721	12,143
Profit for the year	-	-	-	-	-	1,152	1,152
Other comprehensive income	-	-	-	-	-	145	145
Transfer from revaluation reserve as a result of property transactions	-	-	-	-	(1)	1	-
Credit in respect of share-based payments	-	-	-	-	-	31	31
Total comprehensive income for the year	-	-	-	-	(1)	1,329	1,328
Dividends paid	-	-	-	-	-	(890)	(890)
Transactions with owners	-	-	-	-	-	(890)	(890)
At 31 December 2020	**83**	**732**	**216**	**-**	**390**	**11,160**	**12,581**

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 subsidiaries 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.

Cash flow statement

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Cash flows from operating activities				
Profit/(loss) for the period	**1,409**	1,210	**1,152**	(364)
Adjustments for:				
Depreciation of property, plant and equipment	**2,164**	1,959	**83**	75
Impairment of property, plant and equipment	**98**	43	**-**	-
Profit on disposal of other plant and equipment	**(24)**	(31)	**(8)**	(12)
Amortisation of intangible assets	**809**	810	**-**	-
Increase/(decrease) in provisions	**4**	(5)	**46**	(5)
Finance income	**(1)**	-	**(22)**	(66)
Finance costs	**128**	205	**84**	172
Taxation charged/(credited)	**343**	296	**(75)**	(171)
Investment income	**-**	-	**(2,000)**	-
Other non-cash items:				
- Pension current service cost and expenses	**180**	145	**180**	145
- Charge for share options	**31**	12	**31**	12
Operating cash flows before movements in working capital	**5,141**	4,645	**(527)**	(214)
(Increase)/decrease in inventories	**(363)**	144	**-**	-
Decrease/(increase) in trade and other receivables	**296**	807	**(667)**	777
Increase/(decrease) in trade and other payables	**1,512**	(745)	**572**	(191)
Cash generated by operations	**6,586**	4,851	**(623)**	372
Corporation tax (paid)/received	**(529)**	(127)	**98**	107
Interest paid	**(128)**	(205)	**(72)**	(171)
Net cash generated by operating activities	**5,929**	4,519	**(597)**	308
Cash flows from investing activities				
Interest received	**1**	-	**22**	66
Acquisition of plant and equipment	**(4,673)**	(1,726)	**(565)**	-
Proceeds on disposal of property, plant and equipment	**81**	62	**8**	15
Dividends received	**-**	-	**2,000**	-
Net cash used in investing activities	**(4,591)**	(1,664)	**1,464**	81
Cash flows from financing activities				
Loans repaid by subsidiaries	**-**	-	**1,705**	953
Net proceeds from sale and leaseback transactions	**1,061**	1,697	**-**	-
Capital element of lease payments	**(710)**	(506)	**-**	-
Dividends paid	**(890)**	(890)	**(890)**	(890)
Net cash used in financing activities	**(539)**	301	**815**	63
Net increase in cash and cash equivalents	**799**	3,156	**1,682**	452
Cash and cash equivalents at 1 January	**(1,678)**	(4,820)	**(839)**	(1,291)
Effect of foreign exchange rate changes	**(17)**	(14)	**(4)**	-
Cash and cash equivalents at end of period	**(896)**	(1,678)	**839**	(839)
Cash at bank and on hand	**1,386**	1,403	**839**	325
Bank overdrafts	**(2,282)**	(3,081)	**-**	(1,164)
Cash and cash equivalents at end of period	**(896)**	(1,678)	**839**	(839)

Notes 1 to 32 form an integral part of the financial statements.

Notes to the financial statements

1 Segmental and revenue 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:

2020	**UK £'000**	**Poland £'000**	**UK head office £'000**	**Total Group £'000**
Revenue	20,658	16,545	-	37,203
Operating profit/(loss) before amortisation of intangible assets	1,354	2,126	(792)	2,688
Amortisation of intangible assets	-	(809)	-	(809)
Operating profit/(loss)	**1,354**	**1,317**	**(792)**	**1,879**
Other segment information				
Assets	12,636	18,412	8,380	39,428
Liabilities	(8,078)	(3,844)	(4,102)	(16,024)
Capital expenditure	3,384	1,007	565	4,956
Depreciation	1,070	1,029	65	2,164
Finance income - interest receivable	-	-	(1)	(1)
Finance costs	24	36	68	128
Taxation	166	252	(75)	343
Impairment of property, plant and equipment	98	-	-	98

2019	**UK £'000**	**Poland £'000**	**UK head office £'000**	**Total Group £'000**
Revenue	19,198	15,887	-	35,085
Operating profit/(loss) before amortisation of intangible assets	1,546	1,367	(392)	2,521
Amortisation of intangible assets	-	(810)	-	(810)
Operating profit/(loss)	**1,546**	**557**	**(392)**	**1,711**
Other segment information				
Assets	10,059	20,368	7,422	37,849
Liabilities	(5,707)	(4,344)	(4,875)	(14,926)
Capital expenditure	551	1,175	-	1,726
Depreciation	977	926	57	1,960
Finance costs	23	33	149	205
Taxation	278	188	(170)	296
Impairment of property, plant and equipment	43	-	-	43

The segment assets and liabilities presented above exclude intergroup balances and segment capital expenditure excludes intergroup transfers. The UK - head office operating loss is after crediting external property rental and other income (see note 2).

Revenue by major customer
Revenues from the Group's largest customer amounted to £4,835,000 (2019: £3,855,000); this is included in the UK and Poland operating segments. No other customer contributed 10% or more to Group revenue.

Revenue by geographic area
Revenue from external customers was derived from the following geographic areas:

	2020 £'000	2019 £'000
United Kingdom	**19,929**	18,559
Europe	**16,391**	15,174
Others	**883**	1,352
	37,203	35,085

2 Operating costs	2020 £'000	2019 £'000
Selling, marketing and distribution costs	**1,527**	1,231
Administrative costs	**4,693**	4,099
Property lease income	**(261)**	(366)
Acquisition costs	**84**	-
Other income	**(105)**	(97)
(Gain)/loss on foreign exchange	**(60)**	104
	5,878	4,971

3 Finance costs	2020 £'000	2019 £'000
Interest on bank overdrafts	**36**	103
Interest on bank and other loans	**33**	47
Interest on leases	**59**	55
	128	205

4 Profit before taxation

The profit before taxation has been stated after charging/(crediting):	2020 £'000	2019 £'000
Cost of inventories (included in cost of sales)	**27,136**	26,435
Employee costs (see note 5)	**8,955**	7,927
Depreciation of property, plant and equipment (see note 12)		
- owned	**1,548**	1,557
- held under leasing arrangements	**616**	403
Amortisation of intangible assets (see note 11)	**809**	810
Impairment/(writeback) in respect of:		
- inventories (see note 14)	**366**	71
- property, plant and equipment (see note 12)	**98**	43
- receivables (see note 15)	**4**	13
Gain on disposal of plant and equipment	**(24)**	(31)
(Gain)/loss on foreign exchange movements	**(60)**	104

Fees payable by the Group to the Company's independent auditor, Mazars LLP, and its associates, were as follows:

Audit fees:		
- for the audit of the UK companies	**30**	29
- for the audit of the overseas companies	**9**	9
Total audit fees	**39**	38
Non-audit fees – tax services	**11**	9
Total auditor's remuneration	**50**	47
Audit fees in respect of the Robinson pension plan (charged to the plan)	**4**	4

Notes to the financial statements continued

5 Employee information

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

Number employed:	**Group 2020 No.**	Group 2019 No.	**Company 2020 No.**	Company 2019 No.
Manufacturing	**279**	261	**-**	-
Sales, general and administration	**58**	61	**15**	12
Total	**337**	322	**15**	12
Employee costs during the year amounted to:	**£'000**	£'000	**£'000**	£'000
Wages and salaries	**7,778**	6,926	**1,165**	995
Social security costs	**956**	848	**157**	120
Pension costs	**190**	141	**24**	19
Share-based charges	**31**	12	**31**	12
Total	**8,955**	7,927	**1,377**	1,146

The pension costs above all relate to defined contribution plans. Directors' emoluments are included in the above and are detailed further in the Directors' remuneration report.

6 Taxation

Current corporation tax is calculated at 19% (2019: 19%) of the estimated assessable profit for the year. In addition, deferred tax of £7,000 (2019: £nil) has been debited/credited directly to equity in the year (see note 17). The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2020 £'000	2019 £'000
Current tax on profit for the year	**415**	443
Adjustments for current tax of prior periods	**13**	(182)
Total current tax charge	**428**	261
Increase in deferred tax assets	**(41)**	(69)
(Decrease)/increase in deferred tax liability	**(44)**	12
Total current deferred tax credit	**(85)**	(57)
Other tax charge	**-**	92
Total tax charge	**343**	296
Profit before taxation	**1,752**	1,506
At the effective rate of tax of 19% (2019: 19%)	**333**	286
Items disallowable for tax	**31**	81
Depreciation on assets ineligible for capital allowances	**14**	21
Capital allowances for year in excess of depreciation	**13**	(8)
Prior year adjustments - corporation tax	**13**	(174)
Prior year adjustments - deferred tax	**(46)**	11
Non-taxable items	**(10)**	(12)
Other differences	**(5)**	91
Tax charge for the year	**343**	296

The total tax recognised in other comprehensive income in the year was £30,000 (2019: £nil). There are unrecognised capital losses carried forward of £681,000 (2019: £688,000). With this exception, the Directors are not aware of any material factors affecting the future tax charge. Deferred tax balances have been provided at 19% in these accounts. The Corporation Tax rate for the year ended 31 December 2020 was 19%. The Corporation Tax rate of 19% was enacted with effect from 1 April 2017 and the Finance Act 2016 legislated the UK Corporation Tax rate to decrease to 17% from 1 April 2020. However, on 17 March 2020, using the Provisional Collection of Taxes Act 1968, the UK Government cancelled the proposed drop in Corporation Tax rate to 17%.

7 Dividends		**2020 £'000**	2019 £'000
Ordinary dividend paid:	2018 final of 3.0p per share	**-**	485
	2019 interim of 2.5p per share	**-**	405
	2020 interim of 3.5p per share	**566**	-
	2020 interim of 2.0p per share	**324**	-
		890	890

An interim dividend of 3.5p per ordinary share was paid on 30 July 2020 (2019: 2.5p), a second interim dividend of 2.0p (2019: nil) was paid on 1 October 2020. The Directors are proposing a final dividend of 3.0p for the year ended 31 December 2020 (2019:.nil).
Total dividends paid during the year were £890,000 (2019: £890,000). No dividends have been paid between 31 December 2020 and the date of signing the financial statements.

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 £1,409,000 (2019: £1,210,000) divided by the weighted average number of shares in issue, net of treasury shares of 16,613,389 (2019: 16,613,389) and for diluted earnings per share of 16,781,894 (2019: 16,674,548) after the potentially dilutive effect of further shares issued through share options is applied.

	2020	2019
Weighted average number of ordinary shares in issue (thousands)	**16,613**	16,613
Effect of dilutive share option awards (thousands)	**169**	61
Weighted average number of ordinary shares for calculating diluted earnings per share (thousands)	**16,782**	16,675

200,494 (2019: 200,494) share options were not included in the diluted earnings per share calculation as their effect is anti-dilutive in the periods presented.

9 Property lease income	**2020 £'000**	2019 £'000
Receivable:		
- within one year	**206**	230
- between one and two years	**190**	190
- between two and three years	**183**	190
- between three and four years	**48**	183
- between four and five years	**-**	81
	627	874

Notes to the financial statements continued

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	
Cost	**£'000**
At 1 January 2019	1,487
Exchange differences	39
At 31 December 2019	1,526
Exchange differences	(23)
At 31 December 2020	**1,503**
Accumulated impairment losses	
At 1 January 2019	372
Exchange differences	10
At 31 December 2019	382
Exchange differences	(6)
At 31 December 2020	**376**
Carrying amount	
At 31 December 2020	**1,127**
At 31 December 2019	1,144

The Group tests goodwill and the associated intangible assets 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% (2019: 2%) in perpetuity. The pre-tax rate used to discount the forecast cash flows is 3.2% (2019: 5.4%), which reflects the weighted average cost of capital for the Group. The carrying value of the Group's CGUs remains 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 CGU.

11 Intangible assets	**Customer relationships**
Group	
Cost	**£'000**
At 1 January 2019	7,830
Exchange differences	206
At 31 December 2019	8,036
Exchange differences	(122)
At 31 December 2020	**7,914**
Amortisation	
At 1 January 2019	3,524
Charge for the year	810
Exchange differences	86
At 31 December 2019	4,420
Charge for the year	809
Exchange differences	(84)
At 31 December 2020	**5,145**
Carrying amount	
At 31 December 2020	**2,769**
At 31 December 2019	3,616

The amortisation period for customer relationships acquired is 10 years.

12 Property, plant and equipment

	Land and buildings £'000	Surplus properties £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Group					
Cost or deemed cost					
At 1 January 2019	9,486	4,046	28,146	-	41,678
Additions at cost	31	-	1,170	525	1,726
Disposals	-	-	(305)	-	(305)
Reclassified	-	-	345	-	345
Exchange movement	(265)	-	(642)	-	(907)
At 31 December 2019	9,252	4,046	28,714	525	42,537
Additions at cost	599	-	3,297	1,060	4,956
Disposals	-	-	(740)	-	(740)
Reclassified	-	-	176	(176)	-
Exchange movement	(78)	-	(194)	(5)	(277)
At 31 December 2020	**9,773**	**4,046**	**31,253**	**1,404**	**46,476**
Accumulated depreciation and impairment					
At 1 January 2019	2,587	397	19,655	-	22,639
Charge for year	240	-	1,720	-	1,960
Impairment	-	-	43	-	43
Disposals	-	-	(274)	-	(274)
Reclassified	-	-	345	-	345
Exchange movement	(72)	-	(442)	-	(514)
At 31 December 2019	2,755	397	21,047	-	24,199
Charge for year	246	-	1,918	-	2,164
Impairment	-	-	98	-	98
Disposals	-	-	(683)	-	(683)
Exchange movement	(26)	-	(149)	-	(175)
At 31 December 2020	**2,975**	**397**	**22,231**	**-**	**25,603**
Net book value					
At 31 December 2020	**6,798**	**3,649**	**9,022**	**1,404**	**20,873**
At 31 December 2019	6,497	3,649	7,667	525	18,338

	Land and buildings £'000	Surplus properties £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Company					
Cost or revalued amount					
At 1 January 2019	4,656	6,739	66	-	11,461
Disposals	-	-	(42)	-	(42)
At 31 December 2019	4,656	6,739	65	-	11,460
Additions at cost	546	-	19	-	565
Disposals	-	-	(10)	-	(10)
At 31 December 2020	**5,202**	**6,739**	**74**	**-**	**12,015**
Accumulated depreciation and impairment					
At 1 January 2019	1,769	322	58	-	2,149
Charge for year	73	-	2	-	75
Intergroup transfer	-	-	41	-	41
Disposals	-	-	(38)	-	(38)
At 31 December 2019	1,842	322	63	-	2,227
Charge for year	82	-	1	-	83
Disposals	-	-	(10)	-	(10)
At 31 December 2020	**1,924**	**322**	**54**	**-**	**2,300**
Net book value					
At 31 December 2020	**3,278**	**6,417**	**20**	**-**	**9,715**
At 31 December 2019	2,814	6,417	2	-	9,233

Notes to the financial statements continued

12 Property, plant and equipment (continued)

The impairment included in Plant and machinery relates to custom production equipment that is no longer compatible with the Group's portfolio of products, in the year this asset was fully impaired and as such the carrying value of this asset is now £nil. At 31 December 2020, had the land and buildings and surplus properties been carried at historical cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £5,895,000 (2019: £5,541,000); Company £2,344,000 (2019: £1,863,000). The Directors consider the fair value of the surplus properties held by the Group equates to a market value of £6,400,000 (2019: £6,400,000).

13 Investments in subsidiaries	**Shares in Group undertakings £'000**	**Loans to Group undertakings £'000**	**Total £'000**
Company			
Cost			
At 1 January 2019	1	23,273	23,274
Exchange differences	–	(952)	(952)
At 31 December 2019	1	22,321	22,322
Exchange differences	–	–	–
Loans repaid	–	(5,127)	(5,127)
At 31 December 2020	**1**	**17,194**	**17,195**
Amounts written off			
At 1 January 2019	–	2,584	2,584
Released in period	–	(9)	(9)
At 31 December 2019	–	2,575	2,575
Written off in period	–	42	42
At 31 December 2020	**–**	**2,617**	**2,617**
Net book value			
At 31 December 2020	**1**	**14,577**	**14,578**
At 31 December 2019	1	19,746	19,747

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, all of which are included in the consolidated accounts:

Name of undertaking	**Country**	**Activities**
Robinson (Overseas) Limited	England	Intermediate holding company
Robinson Paperbox Packaging Limited	England	Manufacture of paperboard packaging
Robinson Plastic Packaging Limited	England	Manufacture of plastic packaging
Robinson Packaging Polska Sp z o.o	Poland	Manufacture of plastic packaging
Walton Mill (Chesterfield) Limited	England	Property company
Walton Estates (Chesterfield) Limited	England	Dormant company
Lowmoor Estates Limited	England	Dormant company
Portland Works Limited	England	Dormant company
Robinson Plastic Packaging (Stanton Hill) Limited	England	Dormant company

In each case, the Company's equity interest is in the form of ordinary shares. 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 Łódź, Poland. The percentage shareholding for all subsidiaries is 100%. All investments except Robinson Packaging Polska Sp z o.o are held directly.

On 10 February 2021, the Group acquired 100% of the share capital of Schela Plast A/S, a manufacturer of plastic packaging domiciled in Denmark. The acquisition was post year end and is therefore not included in the above table; for further information, see post balance sheet events as per note 29.

14 Inventories	**Group 2020 £'000**	Group 2019 £'000
Raw materials, packaging and consumables	**1,927**	1,789
Work in progress	**42**	19
Finished goods and goods for resale	**1,141**	957
	3,110	2,765

The carrying value of inventories represents fair value less costs to sell; they are stated net of an allowance of £625,000 (2019: £392,000) in respect of excess, obsolete or slow-moving items.

Movements in the allowance were as follows:

Inventory provision movements	**Group 2020 £'000**	Group 2019 £'000
At 1 January	**(392)**	(452)
Utilisation	**133**	131
Unused amount reversed	**67**	51
Increase in allowance	**(433)**	(122)
At 31 December	**(625)**	(392)

15 Trade and other receivables	**Group 2020 £'000**	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Trade receivables	**8,992**	9,393	**400**	211
Less: provision for impairment of trade receivables	**(131)**	(189)	**(8)**	-
Trade receivables – net	**8,861**	9,204	**392**	211
Receivables from subsidiaries	**-**	-	**571**	93
Other receivables	**170**	167	**7**	8
Prepayments	**145**	168	**49**	39
Trade and other receivables	**9,176**	9,539	**1,019**	351
Current tax assets	**9**	107	**9**	107
Total receivables	**9,185**	9,646	**1,028**	458

Trade terms are a maximum of 150 days credit. The average credit period taken is 71 days (2019: 78 days). Due to their short-term nature, the fair value of trade and other receivables does not differ from book value. The net impairment of trade receivables charged to the income statement was £4,000 (2019: £13,000). There is no impairment of any receivables other than trade receivables. Trade receivables from one customer amounted to £1,001,000 at 31 December 2020 (2019: £1,030,000).

Trade receivables are regularly reviewed for bad and doubtful debts. An allowance has been made for estimated credit losses from trade receivables as follows:

At 31 December 2020	**Current**	**More than 30 days past due**	**More than 90 days past due**	**More than 120 days past due**	**More than 210 days past due**	**Total**
Expected loss rate	-	-	-	50%	100%	
Gross carrying amount (£'000)	8,833	76	11	51	21	8,992
Credit loss allowance (£'000)	-	-	-	25	21	46

At 31 December 2019	**Current**	**More than 30 days past due**	**More than 90 days past due**	**More than 120 days past due**	**More than 210 days past due**	**Total**
Expected loss rate	-	-	-	50%	100%	
Gross carrying amount (£'000)	8,874	293	75	91	60	9,393
Credit loss allowance (£'000)	-	-	-	46	60	106

In addition to the credit loss allowance, the provision for impairment of trade receivables includes additional specific provisions for estimated irrecoverable debts of £15,000 (2019: £nil) and credit note provisions of £70,000 (2019: £83,000).

Notes to the financial statements continued

15 Trade and other receivables (continued)

Movement in the allowance for doubtful debts	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
At 1 January	(189)	(206)	-	-
Utilisation	62	30	-	-
Unused amount reversed	121	148	-	-
Charged to income statement	(125)	(161)	(8)	-
At 31 December	(131)	(189)	(8)	-

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs), which uses a lifetime expected loss allowance for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020 or 31 December 2019 and the historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period greater than 365 days past due. Trade receivables are measured at amortised cost.

16 Trade and other payables	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade payables	4,234	2,964	256	91
Amounts due to subsidiaries	-	-	5,114	5,107
Social security and other taxes	925	702	500	236
Other payables	484	716	87	79
Accruals	846	681	465	333
	6,489	5,063	6,422	5,846

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 45 days (2019: 41).

17 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	Total £'000
Group				
At 1 January 2019	7	157	24	188
Charge to income	50	(107)	-	(57)
Exchange differences	-	22	-	22
At 31 December 2019	57	72	24	153
Charge to income	148	(233)	-	(85)
Charged through other comprehensive income	-	(7)	-	(7)
Exchange differences	-	-	3	3
At 31 December 2020	**205**	**(168)**	**27**	**64**
Company				
At 1 January 2019	(3)	(532)	12	(523)
Charge to income	2	13	-	15
At 31 December 2019	(1)	(519)	12	(508)
Charge to income	4	(43)	1	(38)
At 31 December 2020	**3**	**(562)**	**13**	**(546)**

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Deferred tax liability	**1,042**	1,090	**16**	-
Deferred tax asset	**(978)**	(937)	**(561)**	(508)
	64	153	**(545)**	(508)

Deferred tax has been provided at 19%. 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.

Notes to the financial statements continued

18 Borrowings	Group			Company		
Borrowings may be analysed as follows:	Current liabilities	Non-current liabilities	Total liabilities	Current liabilities	Non-current liabilities	Total liabilities
At 31 December 2020						
Bank overdrafts	2,282	–	2,282	–	–	–
Bank and other loans	–	2,700	2,700	–	2,700	2,700
Lease liabilities	978	2,291	3,269	–	–	–
Total	**3,260**	**4,991**	**8,251**	**–**	**2,700**	**2,700**
At 31 December 2019						
Bank overdrafts	3,081	–	3,081	1,164	–	1,164
Bank and other loans	–	2,700	2,700	–	2,700	2,700
Lease liabilities	629	1,939	2,568	–	–	–
Total	3,710	4,639	8,349	1,164	2,700	3,864

Bank and other loans are repayable as follows:	**Group 2020 £'000**	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Bank and other loans				
- due after two and within five years	**2,700**	2,700	**2,700**	2,700
	2,700	2,700	**2,700**	2,700

The bank overdraft facility is repayable on demand and bears interest at a rate that varies with the HSBC Sterling base rate. It is secured on a first charge over certain of the Group's properties. The undrawn facility at 31 December 2020 was £5.7m. A loan of £2.7m from the Pension Escrow Account was made during 2018, which bears interest at a rate that varies with the Bank of England Sterling base rate and is secured by a charge over certain of the Group's properties (see note 30 for more details). The Group leases certain plant and machinery under finance lease and hire purchase contracts, which are denominated in Sterling, Euros and Polish Zloty. The average remaining lease term is 3.6 years (2019: 3.8 years). For the year ended 31 December 2020, the average effective borrowing rate was 1.0% (2019: 1.0%). Lease liabilities are secured on the assets to which they relate. The carrying amount of the Group's lease obligations approximates to their fair value.

19 Leasing

Leased assets where the Group is a lessee

The balance sheet includes the following amounts relating to leased assets where the Group is a lessee:	**Group 2020 £'000**	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Right-of-use assets				
Plant and machinery	**3,864**	3,115	**–**	–
	3,864	3,115	**–**	–
Lease liabilities				
Current	**978**	629	**–**	–
Non-current	**2,291**	1,939	**–**	–
	3,269	2,568	**–**	–

Additions to right-of-use assets during the year amounted to £1,391,000 (2019: £1,891,000).

The Group income statement includes the following amounts relating to leased assets:	**Group 2020 £'000**	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Depreciation charge on right-of-use assets				
Plant and machinery	**616**	403	**–**	–
	616	403	**–**	–
Interest expense (see note 3)	**59**	55	**–**	–

19 Leasing (continued)

Leases are repayable as follows:	Minimum lease payments		Present value of minimum lease payments	
Group	**2020 £'000**	2019 £'000	**2020 £'000**	2019 £'000
Amounts payable under lease contracts:				
- within one year	**1,005**	660	**978**	629
- after one and within five years	**2,295**	1,974	**2,273**	1,939
- after five years	**18**	-	**18**	-
	3,318	2,634	**3,269**	2,568
Less: future finance charges	**(49)**	(66)		
Present value of lease obligations	**3,269**	2,568		

Sale and leaseback transactions
In the normal course of business, the Group constructs plant and machinery assets over a period of time, typically six to nine months. In some cases after commissioning of the asset, it may be subject to a sale and hire purchase transaction, whereby the Group sells the asset to a finance provider and commits to paying monthly lease rentals for a period of time before re-assuming ownership. In 2020, there were two transactions of this type raising £1,061,000 (2019: £2,102,000) before deposit payments. No gain or loss was recognised on these transactions during the period. Due to the fact that the lessor is a financial institution, these arrangements do not meet the definition of a sale in IFRS 15, and as such, the amounts received from the financial institution are instead accounted for as a financial liability under IFRS 9.

Leased assets where the Group is a lessor
The Group leases various properties to tenants with rentals payable monthly or quarterly in advance. Lease payments for some contracts include RPI/CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and, therefore, will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties. The Group carrying value of properties subject to operating leases is £4,278,000 (2019: £4,301,000), only part of which is occupied by tenants. Property lease income is disclosed in note 2, and minimum receipts under property leases are disclosed in note 9.

20 Provisions for liabilities	**Post-retirement benefits £'000**
Group and Company	
At 1 January 2019	174
Movement in year	(5)
At 31 December 2019	169
Movement in year	**4**
At 31 December 2020	**173**

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 3.5% per annum, medical cost inflation of 10% per annum and individual life expectancy assumptions. Based on those assumptions, the provision is expected to be utilised over 30 years.

21 Called up share capital	**2020 £'000**	2019 £'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 (2019: 1,073,834)	**(5)**	(5)
Net issued share capital: 16,613,389 shares (2019: 16,613,389)	**83**	83

The Company has one class of ordinary shares that carries no right to fixed income. 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.

Notes to the financial statements continued

22 Retained earnings

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

23 *Risk management objectives and policies*

The Group and the Company are exposed to market risk through their use of financial instruments and specifically to credit risk and foreign currency risks, which result from the Group's operating activities and the Company's investing activities. The Group's risk is managed in close co-operation with the Board of Directors and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Robinson does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below. See also below for a summary of the Group's financial assets and liabilities by category.

Summary of financial assets and financial 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 2020 £'000	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Financial assets measured at amortised cost				
Trade receivables	**8,861**	9,204	**392**	211
Other receivables	**170**	167	**7**	8
Amounts due from subsidiaries	**-**	-	**571**	93
Cash at bank and on hand	**1,386**	1,403	**839**	325
	10,417	10,774	**1,809**	637
Financial liabilities measured at amortised cost				
Trade payables	**(4,234)**	(2,964)	**(256)**	(91)
Other payables	**(484)**	(716)	**(87)**	(79)
Accrued expenses	**(846)**	(681)	**(465)**	(333)
Amounts due to Group undertakings	**-**	-	**(9,943)**	(13,356)
Bank overdrafts	**(2,282)**	(3,081)	**-**	(1,164)
Bank and other loans	**(2,700)**	(2,700)	**(2,700)**	(2,700)
Lease liabilities	**(3,269)**	(2,568)	**-**	-
	(13,815)	(12,710)	**(13,451)**	(17,723)
Net financial assets and liabilities	**(3,398)**	(1,936)	**(11,642)**	(17,086)
Non-financial assets and liabilities	**26,802**	24,859	**24,223**	29,229
Total equity	**23,404**	22,923	**12,581**	12,143

All financial assets and financial liabilities noted in the above table are measured at amortised cost. Cash at bank and on hand, bank overdrafts and bank and other loans largely attract floating interest rates. Accordingly, management considers that their carrying amount approximates to fair value. Lease liabilities may attract floating interest rates or fixed interest rates implicit in the lease rentals and their fair value has been assessed relative to prevailing market interest rates, management considers that their carrying amount approximates to fair value.

Foreign currency risk

Transaction risk

Foreign currency transaction risk arises on sales and purchases denominated in currencies other than the functional currency of the entity that enters into the transaction. Group transactions are primarily in Sterling, Polish Zloty or Euros. The magnitude of these transactional exposures is relatively low for the Group as sales and purchases are typically matched by currency and commercial contracts that include escalators for currency movements on raw materials. The Group does not typically hedge transactional currency risk with derivative instruments, but exchange rate movements are regularly monitored.

Translation risk

Foreign currency translation risk arises on consolidation in relation to the translation into Sterling of the results and net assets of the Group's Polish subsidiary.

23 Risk management objectives and policies (continued)

The currency profile of net assets was as follows:	**Group 2020 £'000**	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Net assets by currency				
Sterling	**9,079**	6,574	**12,026**	12,443
Polish Zloty	**14,183**	15,293	**(20)**	(622)
Euro	**208**	1,065	**637**	322
Others	**(66)**	(10)	**(62)**	-
Total	**23,404**	22,923	**12,581**	12,143

The following table details the Group's sensitivity to a 10% 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% against the Euro and Polish Zloty.

	Euro		**Polish Zloty**	
Currency impact	**+10%**	**-10%**	**+10%**	**-10%**
Profit or loss for the year	(19)	23	(103)	126
Equity	(19)	23	(103)	126

Interest rate risk

Interest rate risk is the risk that the fair value of, or future cash flows associated with, a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its floating rate borrowings. The interest rate profile of the Group's interest-bearing financial assets and financial liabilities was as follows:

	Group 2020 £'000	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Floating rate				
Bank overdrafts	**(2,282)**	(3,081)	**-**	(1,164)
Bank and other loans:				
- pension escrow loan	**(2,700)**	(2,700)	**(2,700)**	(2,700)
Lease liabilities	**(1,878)**	(1,161)	**-**	-
Cash at bank and on hand	**1,386**	1,403	**839**	325
Amounts due to Group undertakings	**-**	-	**-**	(603)
	(5,474)	(5,539)	**(1,861)**	(4,142)
Fixed rate				
Lease liabilities	**(1,391)**	(1,407)	**-**	-
	(1,391)	(1,407)	**-**	-
Total	**(6,865)**	(6,946)	**(1,861)**	(4,142)

Interest payable on bank overdrafts and floating rate loans is based on base rates and short-term interbank rates. At 31 December 2020, the weighted average interest rate payable on bank overdrafts was 1.35% (2019: 2.00%). At 31 December 2020, the weighted average interest rate payable on bank and other loans was 1.10% (2019: 1.75%). At 31 December 2020, the weighted average interest rate receivable on cash at bank and in hand was nil% (2019: nil%). At 31 December 2020, the weighted average interest rate payable on amounts due to Group undertakings was nil% (2019: 3.6%).

On the assumption that a change in market interest rates would be applied to the interest rate exposures that were in existence at the balance sheet date an increase/decrease of 100 basis points in market interest rates would decrease/increase the Group's profit before tax by £69,000 (2019: £69,000), and the Company's profit before tax by £27,000 (2019: £45,000).

Notes to the financial statements continued

23 Risk management objectives and policies (continued)

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.
The Group has three types of financial assets that are subject to the ECL model: trade receivables, other receivables, and cash at bank and in hand. Disclosure regarding ECLs on trade receivables is provided in note 15. While other receivables and cash at bank and on hand are also subject to the requirements of IFRS 9, the identified impairment loss was immaterial. The Group's cash balances are managed such that there is no significant concentration of credit risk in any one bank or other financial institution. Management monitors the credit quality of the institutions with which it holds deposits. The Group continuously monitors defaults (for debts beyond due date) 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. 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.

At 31 December 2020, the maximum exposure to credit risk (excluding intercompany balances in the Company) was as follows:

	Group 2020 £'000	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Trade and other receivables:				
- Trade receivables	**8,992**	9,393	**400**	211
- Other receivables	**170**	167	**7**	8
	9,162	9,560	**407**	219
Cash at bank and on hand	**1,386**	1,403	**839**	325
Total	**10,548**	10,963	**1,246**	544

Liquidity risk analysis

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group's borrowing facilities are monitored against forecast requirements and timely action is taken to put in place, renew or replace credit lines.
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:

	Within 1 year £'000	**Between 1 and 2 years £'000**	**Between 2 and 3 years £'000**	**Between 3 and 4 years £'000**	**Between 4 and 5 years £'000**	**Total £'000**
Group						
At 31 December 2020						
Trade payables	4,234	-	-	-	-	4,234
Other financial liabilities	1,330	-	-	-	-	1,330
Bank overdrafts	2,282	-	-	-	-	2,282
Bank and other loans:						
- principal	-	-	2,700	-	-	2,700
- interest	15	-	-	-	-	15
Minimum lease payments	1,005	919	820	376	198	3,318
	8,866	**919**	**3,520**	**376**	**198**	**13,879**
Group						
At 31 December 2019						
Trade payables	2,964	-	-	-	-	2,964
Other financial liabilities	1,397	-	-	-	-	1,397
Bank overdrafts	3,081	-	-	-	-	3,081
Bank and other loans:						
- principal	-	2,700	-	-	-	2,700
- interest	47	12	-	-	-	59
Minimum lease payments	660	690	630	520	134	2,634
	8,149	3,402	630	520	134	12,835

23 Risk management objectives and policies (continued)

The Company's liabilities have contractual maturities that are summarised below:

	Within 1 year £'000	Between 1 and 2 years £'000	Between 2 and 3 years £'000	Between 3 and 4 years £'000	Between 4 and 5 years £'000	Total £'000
Company						
At 31 December 2020						
Trade payables	256	-	-	-	-	256
Other financial liabilities	552	-	-	-	-	552
Bank overdrafts	-	-	-	-	-	-
Bank and other loans:						
- *principal*	-	-	2,700	-	-	2,700
- interest	15	-	-	-	-	15
Amounts owed to subsidiaries	5,114	-	-	-	4,829	9,943
	5,937	**-**	**2,700**	**-**	**4,829**	**13,466**
Company						
At 31 December 2019						
Trade payables	91	-	-	-	-	91
Other financial liabilities	412	-	-	-	-	412
Bank overdrafts	1,164	-	-	-	-	1,164
Bank and other loans:						
- principal	-	2,700	-	-	-	2,700
- interest	47	12	-	-	-	59
Amounts owed to subsidiaries	5,107	-	-	-	8,249	13,356
	6,821	2,712	-	-	8,249	17,782

24 Group capital and net debt

The Group's capital comprises total equity and net debt. 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 and net debt. Robinson manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Directors aim to maintain an efficient capital structure with a relatively conservative level of debt-to-equity gearing so as to ensure continued access to a broad range of financing sources that provide them sufficient flexibility in pursuing commercial opportunities as they arise. In order to maintain its capital structure, the Group may adjust the dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group's capital was as follows:	**2020 £'000**	2019 £'000	2018 £'000
Total equity	**23,404**	22,923	22,928
Net debt	**6,865**	6,946	8,845
Capital	**30,269**	29,869	31,773
Gearing (average net debt/average capital)	**23%**	26%	25%

Notes to the financial statements continued

24 Group capital and net debt (continued)

Movements in Group net debt were as follows:	At 31 December 2019	Exchange movements	Cash flows	At 31 December 2020
Cash at bank and on hand	1,403	65	(82)	**1,386**
Bank overdrafts	(3,081)	–	799	**(2,282)**
Bank and other loans	(2,700)	–	–	**(2,700)**
Lease liabilities	(2,568)	(66)	(635)	**(3,269)**
Net debt	(6,946)	(1)	82	**(6,865)**

	At 31 December 2018	Exchange movements	Cash flows	At 31 December 2019
Cash at bank and on hand	1,358	(70)	115	1,403
Bank overdrafts	(6,178)	–	3,097	(3,081)
Bank and other loans	(2,700)	–	–	(2,700)
Lease liabilities	(1,325)	59	(1,302)	(2,568)
Net debt	(8,845)	(11)	1,910	(6,946)

25 Capital commitments	**Group 2020 £'000**	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Contracted but not provided in these financial statements	**1,045**	2,208	**45**	469

26 Assets pledged as security

The carrying amounts of assets pledged as security (excluding intercompany balances in the Company) for current and non-current borrowings are:

	Group 2020 £'000	Group 2019 £'000	**Company 2020 £'000**	Company 2019 £'000
Current				
Floating charge:				
- Cash and cash equivalents	**639**	326	**839**	325
- Trade and other receivables	**5,788**	5,105	**457**	365
Total current assets pledged as security	**6,427**	5,431	**1,296**	690
Non-current				
First mortgage:				
- Land and buildings	**3,055**	2,573	**3,278**	2,815
- Surplus properties	**3,649**	3,649	**6,417**	6,417
	6,704	6,222	**9,695**	9,232
Lease liabilities:				
- Plant and equipment	**3,864**	3,115	**–**	–
	3,864	3,115	**–**	–
Floating charge:				
- Plant and equipment	**3,545**	2,316	**20**	2
	3,545	2,316	**20**	2
Total non-current assets pledged as security	**14,113**	11,653	**9,715**	9,234
Total assets pledged as security	**20,540**	17,084	**11,011**	9,924

27 Contingent liabilities

There were contingent liabilities at 31 December 2020 in relation to cross guarantees of bank overdrafts and leases given by the Company on behalf of other Group undertakings. The amount guaranteed at 31 December 2020 was £4,585,000 (2019: £3,079,000). The Directors have considered the fair value of the cross guarantee and do not consider this to be significant.

28 Related parties

Transactions took place in the normal course of business between the Company and its subsidiaries during the year as follows:

	2020 £'000	2019 £'000
Charges by the Company to its subsidiaries:		
Rent	**543**	543
Management charges	**409**	300
Interest	**21**	66
Other charges (including costs incurred by the Company on behalf of its subsidiaries and subsequently recharged to them)	**7,152**	6,841
	8,125	7,750
Charges by the subsidiaries to the Company (mainly costs incurred by them on behalf of the Company and recharged to it)	**154**	126
Net balances due from subsidiaries outstanding at the year end	**5,205**	6,483

£7,659,000 of the net charges in 2020 related to UK subsidiaries (2019: £7,469,000).

Note 27 discloses cross-guarantees between the Company, its subsidiaries and finance providers in relation to bank overdrafts and leases. This is considered to have minimal value.

Details of transactions between the Group and other related parties are disclosed below:

Post-employment benefit plans

Contributions amounting to £11,000 (2019: £170,000) were payable by the Company to a pension plan established for the benefit of its employees. At 31 December 2020, £1,000 (2019: £1,000) in respect of contributions due was included in other payables. An amount of £2.7m held in the Pension Escrow Account is loaned to the Company on commercial terms and secured on surplus property valued at £2.8m held by the Group (see note 30 for further details). In 2020, Robinson plc incurred and recharged expenses of £54,000 (2019: £41,000) on behalf of the pension plan and charged £27,000 (2019: £31,000) in respect of administration services provided to the plan.

Compensation of key management personnel

For the purposes of these disclosures, the Group and Company regards its key management personnel as the Directors, including Non-Executive Directors. Compensation payable to key management personnel in respect of their services to the Group was as follows:

	2020 £'000	2019 £'000
Short-term employee benefits	**829**	886
IFRS 2 share option charge	**24**	5
	853	891

29 Events after the end of the reporting period

Acquisition of Schela Plast

On 10 February 2021, the Group acquired the entire share capital of Schela Plast a Danish designer and manufacturer of blow moulded containers. The acquisition expands the geographic reach of the Group and creates sales growth opportunities with new and existing Robinson customers. The total consideration payable for the acquisition is £4.4m, comprising £1.4m paid in cash at completion and £3.0m of deferred contingent consideration. The deferred contingent consideration is payable based on the 2020 and 2021 EBITDA (Earnings before interest, tax, depreciation and amortisation) performance of Schela Plast. The fair value of the total consideration expected to be paid is £4.4m.

The fair value of the net assets acquired totalled £2.5m. Due to the proximity of the acquisition to the Group's reporting date, the fair values of assets and liabilities acquired are provisional to allow for further adjustments in the measurement period. The difference between the fair value of consideration of £4.4m and net assets acquired of £2.5m will be attributed to goodwill and intangible fixed assets including customer relationships. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition costs of £84,000 were incurred in the year and were expensed to the income statement.

As Schela Plast was acquired after the end of the current reporting period, the business made no contribution to the Group revenue or profit before taxation in the year.

Notes to the financial statements continued

30 Employee benefit obligations

The Group operates a defined contribution plan for UK employees, which is held in a separate Mastertrust arrangement from the Robinson & Sons Limited Pension Fund. This plan receives contributions to the members' pension pots from the Group and member. Polish employees are members of a pay-as-you-go plan based on notional defined contribution accounts, run by the Polish state-owned Social Insurance Institution. The Group's obligations in respect of these plans are limited to the contributions. The expense is recognised in the current income statement. The rest of this note relates to the Group's UK defined benefit plan (the "Plan").

The Robinson & Sons Limited Pension Fund is a defined benefit plan, which was closed to new members in 1997 and provides benefits to members in the form of a guaranteed pension for life. The level of benefits is based on each member's salary and pensionable service prior to leaving the Plan. Benefits receive statutory revaluation in deferment. Once in payment, pension increases are applied, the majority of which are linked to inflation (subject to floors and caps).

The Plan's assets are held separately from the Group in a trust fund. The fund is looked after by Trustees on behalf of the members. The assets are invested to meet the benefits promised by a combination of investment returns and future contributions. Under the normal course of events, actuarial valuations are undertaken every three years to confirm whether the assets are expected to be sufficient to provide the benefits. If there is a shortfall, a recovery plan is put in place under which the Group is required to pay additional contributions over a period of time, as agreed with the Trustees. The last triennial actuarial valuation was at 5 April 2020, which indicated the fund was in deficit. The funding position was reassessed based on rolled forward asset values and market conditions as of 30 October 2020, the date of signing the recovery plan. The scheme at that date had a funding surplus. The Trustees and the Company have therefore agreed that the Company is not required to pay contributions. The next full valuation is due as at 5 April 2023.

The accounting disclosures are based on different assumptions from the plan's funding assumptions. This is because:

i) the funding and accounting valuations may be carried out at different dates and so are based on different market conditions and

ii) the funding assumptions are determined by the Trustees who must include margins for prudence. The accounting assumptions are determined by the Group Directors in accordance with accounting standards, which are different from funding regulations.

The IAS 19 value placed on the pension benefit obligation has been determined by rolling forward from previous results, making adjustments to reflect benefits paid out of the Plan, and for differences between the assumptions used at this year end and the previous year end.

Amounts recognised in statement of financial position	**2020 £'000**	2019 £'000
Fair value of Plan assets	**66,903**	66,392
Liability value (present value of funded obligation)	**(57,605)**	(55,871)
Surplus	**9,298**	10,521
Unrecognised assets due to asset ceiling	**(9,298)**	(10,521)
Net asset	**-**	-

The main reasons for the improvement in the balance sheet position since last year are:

- the investment return achieved on the Plan's assets over the period was around 5%, which was higher than the discount rate used last year;
- inflation experienced has been lower than was assumed, which has helped to reduce the value placed on liabilities; and
- the estimated impact of the change from RPI from 2030.

The above improvements have been partly offset by the change in market conditions over the year - bond yields have decreased over the period, resulting in a lower discount rate and a higher liability value.

The surplus is not recognised in the Group balance sheet, on the basis that future 'economic benefits' are not available in the form of reduced future contributions or a cash refund.

The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

Change in funded defined benefit obligation (DBO)	**2020 £'000**	2019 £'000
DBO at beginning of year	**55,871**	54,512
Service cost	**94**	86
Interest on DBO	**1,093**	1,430
Employee contributions	**14**	11
Remeasurement - actuarial (gain)/loss from financial items	**3,495**	4,346
Remeasurement - actuarial (gain)/loss from demographic items	**(324)**	(1,293)
Benefits paid	**(2,638)**	(3,221)
DBO at end of year	**57,605**	55,871

Notes to the financial statements continued

30 Employee benefit obligations (continued)

Change in Plan assets	2020 £'000	2019 £'000
Fair value at beginning of year	**66,392**	60,972
Employee contributions	**14**	11
Interest income on Plan assets	**1,301**	1,602
Impact of interest on asset ceiling	**(208)**	(172)
Remeasurement - actuarial gain	**2,128**	7,259
Employer contributions	**-**	-
Benefits paid	**(2,638)**	(3,221)
Expenses paid	**(86)**	(59)
Fair value at end of year	**66,903**	66,392

Asset return	2020 £'000	2019 £'000
Interest income on Plan assets (expected return)	**1,301**	1,602
Impact of interest on asset ceiling	**(208)**	(172)
Remeasurement - actuarial gain	**2,128**	7,259
Actual return on Plan assets	**3,221**	8,689

The following amounts were recognised in the income statement:

Income statement	2020 £'000	2019 £'000
Current service cost	**94**	86
Expenses	**86**	59
Net interest cost	**(208)**	(172)
Impact of interest on the asset ceiling	**208**	172
Total cost recognised in the income statement	**180**	145
The following amounts were not recognised in the statement of other comprehensive income:		
Remeasurement DBO - actuarial loss from financial items	**3,495**	4,346
Remeasurement DBO - actuarial (gain) from demographic items	**(324)**	(1,293)
Remeasurement Plan assets - actuarial (gain) on assets	**(2,128)**	(7,259)
Effect of asset limitation and minimum funding requirement	**(1,223)**	4,061
Total (gain)/loss not recognised in other comprehensive income	**(180)**	(145)
Cumulative actuarial losses recognised in other comprehensive income	**11,484**	11,664
Reconciliation of prepaid/(accrued) pension cost		
Net periodic pension cost	**180**	145
Impact of limit on net assets	**(1,223)**	4,061
Remeasurements - actuarial (gains)/losses not recognised in other comprehensive income	**1,043**	(4,206)
Prepaid/(accrued) at end of year (IAS)	**-**	-
Change in asset ceiling + additional liability IFRIC14		
Asset not recognised at beginning of year	**10,521**	6,460
Changes in unrecognised asset due to asset ceiling	**(1,223)**	4,061
Asset not recognised at end of year	**9,298**	10,521

Notes to the financial statements continued

30 Employee benefit obligations (continued)

Key assumptions used were:	2020	2019	2020	2019
	Weighted average			
Discount rate at beginning of year	**2.0%**	2.7%		
Discount rate at end of year	**1.4%**	2.0%	**1.4%**	2.0%
RPI inflation			**2.8%**	3.2%
CPI inflation			**1.8%**	2.2%
Salary inflation			**3.1%**	3.5%
Expected return on assets	**1.4%**	2.0%	**1.4%**	2.0%
Mortality (average)			**S3PXA**	S2PXA
Mortality improvements			**CMI2019[1%]**	CMI2018[1%]

The average life expectancy of a pensioner is as follows:	2020	2019
Life expectancy of 45 year old man at the age of 65 years	**22.8**	22.4
Life expectancy of 45 year old woman at the age of 65 years	**25.3**	24.5
Life expectancy of 65 year old man at the age of 65 years	**21.8**	21.3
Life expectancy of 65 year old woman at the age of 65 years	**24.1**	23.3

Sensitivity to assumptions

The following table shows the impact of changes to the main assumptions:

	Change to liability value (%)	Addition to liability value £'000
Reduce discount rate by 0.25% pa	3.4%	1,900
Increase inflation rate by 0.25% pa	2.0%	1,100
Add one year to life expectancies	4.4%	2,500

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the DBO to significant actuarial assumptions, the same method (present value of the DBO calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Pension Escrow Account

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 Plan for existing members. The Group has nonetheless paid employer contributions set aside in the Group's financial statements since the actuarial valuation in April 2002, together with money purchase contributions between 2005 and 2017, into an escrow account. The outcome of the next actuarial valuation in April 2023 will determine whether the contributions will be paid over to the Plan, returned to the Group or whether some other arrangements will be made. It is likely that the escrow account will be returned to the Plan, and therefore, it has been disclosed as an asset of the Plan. £2.7m of the escrow account is loaned to the Group on commercial terms secured on surplus property valued at £2.8m held by the Group. The total set aside in the escrow account at 31 December 2020, including the £2.7m loan receivable, amounted to £3.1m (2019: £3.1m).

Asset class allocation

The major categories of Plan assets are as follows:	2020	2019
Equity securities	**41.9%**	46.0%
Debt securities	**44.2%**	40.5%
Real estate	**4.8%**	4.6%
Other	**4.8%**	4.7%
Cash	**4.3%**	4.2%
	100%	100%
Weighted average duration of the Plan (years)	**14**	14
Expected contributions in the following period	**-**	-

Notes to the financial statements continued

30 Employee benefit obligations (continued)

As at the last actuarial valuation (5 April 2020), the present value of the DBO included £2.6m in respect of active members, £7.1m in respect of deferred members and £47.2m in respect of pensioners.

Risk exposure
Through its defined benefit pension plan, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility
The Plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if Plan assets underperform this yield, this will create a deficit. The Plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term. The Group believes that, due to the long-term nature of the Plan liabilities and the strength of the supporting Group, a level of continuing equity investment is an appropriate element of the Group's long-term strategy to achieve a buyout of liabilities, when market conditions allow.

Changes in bond yields
A decrease in corporate bond yields will increase Plan liabilities, although this will be partially offset by an increase in the value of the Plans' holdings.

Interest and Inflation risks
The Plan is exposed to interest and inflation rate risks. The Plan invests in liability-driven investments with a target level of hedging of 70% of the risk to funding associated with the impact of changes in long-term interest rates and inflation expectations on the Plan's technical provisions.

Life expectancy
The Plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the Plans' liabilities.

31 Share-based payments

During the year ended 31 December 2020, the Group had six share-based payment arrangements under two schemes.
Grants in the year are detailed below:

	Incentive plan 2016	Incentive plan 2016
Grant date	15/07/2020	15/07/2020
Vesting period ends	15/07/2023	15/07/2025
Share price at date of grant (pence)	118.5	118.5
Volatility	49.6%	49.6%
Option life	10 years	10 years
Expected dividend yield	4.3%	4.3%
Risk-free investment rate	0.17%	0.17%
Fair value at grant date (pence)	23.2	23.2
Exercise price at date of grant (pence)	118.5	118.5

The Enterprise Management Incentive Plan 2004 (EMI Plan 2004) is part of the remuneration package of the Executive Directors of the Company. Options under this scheme will vest in accordance with a timescale over 36 months if certain performance criteria are met. Upon vesting, each option allows the holder to purchase one ordinary share at the stated price. If the option holder leaves the employment of the Company, the option is forfeited.

The Incentive Plan 2016 is part of the remuneration package of the Executive Directors and other senior managers of the Company. Options under this scheme will vest in accordance with a timescale over 36 months if certain performance criteria are met. Upon vesting, each option allows the holder to purchase one ordinary share at the stated price. If the option holder leaves the employment of the Company, the option is forfeited.

Fair values for the share option schemes have been determined using the Black-Scholes model. The expected volatility is based on historical volatility over the past three years. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

Notes to the financial statements continued

31 Share-based payments (continued)

A reconciliation of option movements over the year to 31 December 2020 is shown below:

	EMI Plan 2004	Weighted average price (p)	Incentive Plan 2016	Weighted average price (p)
Outstanding at 31 December 2018 and 31 December 2019	67,494	202.0	273,056	98.7
Granted	-	-	600,000	118.5
Outstanding at 31 December 2020	**67,494**	**202.0**	**873,056**	**118.5**
Exercisable at 31 December 2019 and 31 December 2020	**67,494**	**202.0**	**273,056**	**98.7**

The range of exercise prices for options outstanding at the end of the period is 69p to 202p. The weighted average contractual life of options at the end of the period is 7.5 years. The total charge in the year ended 31 December 2020 relating to employee share-based payment plans, in accordance with IFRS 2, was £31,000 (2019: £12,000). All of which was related to equity-settled share-based payment transactions.

32 Accounting policies

Robinson plc is a company incorporated in the UK under the Companies Act 2006. The consolidated and Company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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.

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 IAS 27 *Separate Financial Statements* and IFRS 10 *Consolidated Financial Statements* and are recognised at cost less impairment.

Revenue

The Group manufactures and sells a range of plastic and paperboard packaging to its customers. Revenue is recognised when control of the products is transferred, being when the products are delivered to the customer, and there is no unfulfilled performance obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Products are sometimes sold with retrospective volume rebates based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume rebates. Accumulated experience is used to estimate and provide for the rebates, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A rebate liability (included in trade and other payables) is recognised for expected volume rebates payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with credit terms that are considered within the range of normal industry practice. A receivable is recognised when the goods are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

32 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 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 differences 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. Surplus properties are stated at cost; they are not being depreciated as they are surplus and not currently in use and the value is therefore not being consumed. 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. Assets under construction are not depreciated until they are ready for use.

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.

Trade and other receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and therefore, measures them subsequently at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established based on the ECL. The Group applies the IFRS 9 simplified approach to measuring ECLs that uses a lifetime expected loss allowance for all trade receivables, which are grouped based on shared credit risk characteristics and the days past due. The amount of the provision is recognised in the balance sheet within trade receivables. Movements in the provision are recognised in the profit and loss account in administrative expenses. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits with banks, and other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within current liabilities in the statement of financial position.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Borrowings include bank overdrafts, bank and other loans, and lease liabilities.

Notes to the financial statements continued

32 Accounting policies (continued)

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 and/or liabilities recognised in the statement of financial position represents the fair value of defined benefit Plan assets less the present value of the DBO, to the extent that this is recoverable by means of a contribution holiday, payment of money purchase contributions and expenses from the Plan calculated on the projected unit credit method. Operating costs comprise the current service cost plus expenses. Finance income comprises the expected return on Plan assets less the interest on Plan liabilities. Actuarial gains or losses comprising differences between the actual and expected return on Plan assets, changes in Plan 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.

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 CGUs expected to benefit from the synergies of the combination. CGUs 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 CGU 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 the disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill recorded in foreign currencies is retranslated at each period end. Any movements in the carrying value of goodwill as a result of foreign exchange rate movements are recognised in the statement of comprehensive income.

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. Intangible assets recorded in foreign currencies are retranslated at each period end. Any movements in the carrying value of intangible assets as a result of foreign exchange rate movements are recognised in the statement of comprehensive income.

32 Accounting policies (continued)

Leased assets

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time, with the exception of short-term leases and leases for which the underlying asset is of low value. The right-of-use asset is initially measured at cost, and subsequently, at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset on a straight line basis. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term on a straight line basis.

The lease liability is initially measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract. The lease liability is subsequently remeasured to reflect lease payments made. Short-term and low-value leases are recognised in profit or loss on a straight line basis over the term of the lease.

The Group as a lessor

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

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.

Land and 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 to IFRS 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 from 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, which were previously used in its trading businesses, that 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 been included under the heading Surplus properties.

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 from those 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.

Notes to the financial statements continued

32 Accounting policies (continued)

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.

During the year, the Group arranged new credit facilities with existing bankers HSBC Bank UK. An existing £8m overdraft was replaced with a £6m commercial mortgage committed for three years and £6m of other short-term facilities that are to be renewed annually. The Group will meet its day-to-day working capital requirements through a £2m overdraft facility and a £4m invoice discounting facility. The Group will seek to renegotiate these facilities in due course and management is confident that facilities will be forthcoming on acceptable terms. The forecasts used to assess the going concern assumption were approved by the Board on 18 February 2021. As a result of the market uncertainty due to the ongoing Covid-19 coronavirus pandemic, the Directors have performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months from the date of approval of these financial statements. This involves assessing the headroom against available credit facilities and financial covenants in a stressed scenario, the assumptions used for this test are as follows:

- 5% reduction in revenues;
- suspension of dividend payments to shareholders;
- deferment of 2020 bonuses due to senior management;
- a moratorium on uncommitted, non-essential capital expenditure; and
- continued availability of existing credit facilities from the Group's finance providers.

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.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, 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 Directors consider the following to be the critical judgements and key sources of estimation uncertainty made in preparing these financial statements that, if not borne out in practice, may affect the Group's results during the next financial year.

Critical judgements

1) Classification of surplus properties

The Group owns several properties, which were previously used in its trading businesses, that are now surplus to its current business needs. Management is required to determine which properties were surplus during the year and at the reporting date; the basis of the determination is whether the properties are in operational use. There were no changes in the classification of properties during the current or prior year.

Key sources of estimation uncertainty

1) Pensions and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The irrecoverable surplus is based on estimates of the recoverable surplus. These are based on expectations in line with the underlying assumptions in the valuation and current circumstances. Further details can be found in note 30.

2) Impairment of goodwill, other intangible assets and property, plant and equipment

The Group tests goodwill, intangible assets and property, plant and equipment 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 CGUs 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 CGU and a suitable discount rate in order to calculate present value. Further details on this process are set out in note 10.

3) Sales volume rebates

Some products are sold with retrospective volume rebates based on aggregate sales over a 12-month period. Accumulated experience is used to estimate and provide for the rebates, using the expected value method. Where the sales volume exceeds the agreed thresholds and meets other contractual terms, a rebate liability is recognised for expected volume rebates payable to customers in relation to sales made until the end of the reporting period.

32 Accounting policies (continued)

Amendments to IFRSs that are mandatorily effective for the current year

The adoption of the following mentioned 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 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amendment): Definition of Material	1 January 2020
IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* (Amendments): Interest Rate Benchmark Reform – Phase 1	1 January 2020
Conceptual Framework (Amendment): Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
IFRS 3 *Business Combinations* (Amendment): Definition of a Business	1 January 2020

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

	EU effective date – periods beginning on or after
IFRS 16 *Leases* (Amendment): Covid-19-related Rent Concessions	1 June 2020
IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases* (Amendments): Interest Rate Benchmark Reform – Phase 2	1 January 2021
IFRS 4 *Insurance Contracts* (Amendment): Extension of the Temporary Exemption from Applying IFRS 9	1 January 2021
IAS 16 *Property, Plant and Equipment* (Amendment): Proceeds before Intended Use	1 January 2022
IAS 37 *Provisions, Contingent Liabilities and Contingent Assets:* (Amendment): Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS 3 *Business Combinations* (Amendment): Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRSs (2018 – 2020 cycle)	1 January 2022
IAS 1 *Presentation of Financial Statements* (Amendment): Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023
IFRS 17 Insurance Contracts and Amendments to IFRS 17	1 January 2023

Comment on standards effective from 1 January 2021

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Independent auditor's report to the members of Robinson plc

Opinion

We have audited the financial statements of Robinson plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Group income statement, the Group statement of comprehensive income, the Group and Company statement of financial position, the Group and Company Statement of changes in equity, the Group and Company Cash flow statement 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 accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2020 and of the Group's profit for the year then ended; and
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions 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 SME 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the Group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern;
- obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- evaluating the directors' method to assess the Group's and the parent company's ability to continue as a going concern;
- reviewing the directors' going concern assessment including related stress testing which incorporated severe but plausible scenarios;
- evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- reviewing the appropriateness of the directors' disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Key Audit Matter

Revenue recognition

The Group's accounting policy in respect of revenue recognition is set out in the accounting policy notes on page 64. Revenue is a material balance for Robinson plc and represents the largest balance in the Group income statement. An error in this balance could significantly affect users' interpretation of the financial statements. As a result, there is a risk of fraud or error in 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.

How our scope addressed this matter

Our response

Our procedures over revenue recognition included, but were not limited to:

- Obtaining an understanding of the processes and controls over the recognition of revenue and performing walkthrough procedures to validate that controls were appropriately designed and implemented; and
- Substantive testing of a sample of revenue transactions around the year end to ensure they were accounted for in the correct period.
- Performed a review of material receipts pre and post year end to provide additional comfort that revenue around the year end was appropriately recognised in the correct period.

Our observations

Our work performed in relation to controls over the recognition of revenue confirmed that the controls in place were designed and implemented effectively. Based on our work performed on transactions around the year end, revenue was appropriately recognised in the correct period.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£651,000
How we determined it	The overall materiality level has been determined with reference to a benchmark of Group revenue.
Rationale for benchmark applied	In our view, revenue is the most relevant measure of the underlying performance of the Group and therefore, has been selected as the materiality benchmark. The percentage applied to this benchmark is 1.75%.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. This was set at £520,000.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £19,500, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Group and parent company, their environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Independent auditor's report to the members of Robinson plc continued

Our Group audit scope included an audit of the Group and the parent company financial statements of Robinson plc. Based on our risk assessment, Robinson Plastic Packaging Limited, Robinson Paperbox Packaging Limited, Robinson (Overseas) Limited, Portland Works Limited and Walton Mill (Chesterfield) Limited within the Group were subject to full scope audit and was performed by the Group audit team. Robinson Packaging Polska SP z.o.o was also subject to a full scope audit undertaken by component auditors, Mazars Poland. The group audit team directed and reviewed the work of the component auditor to gather sufficient and appropriate evidence in order to support the opinion on the consolidated financial statements.

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.

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 specified 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 37, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Group and the parent company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:
- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations.;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Group and the parent company which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.

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.

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.

Alistair Wesson

(Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW
24 March 2021

Directors and Advisers

Directors
Alan Raleigh Non-Executive Chairman
Helene Roberts Chief Executive Officer
Guy Robinson Property Director
Mike Cusick Finance Director
Anthony Glossop Non-Executive Director
Sara Halton Non-Executive Director

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 Park View House,
58 The Ropewalk, Nottingham, NG1 5DW

Tax Adviser
Garbutt & Elliot LLP 33 Park Place, Leeds, LS1 2RY

Registrar
Neville Registrars Ltd Steelpark Rd, Halesowen, B62 8HD

Banker
HSBC 1 Bond Court, Leeds, LS1 2JZ

The Company is incorporated in England, registered no. 39811

@robinsonpack
/robinsonpackaging
robinson-packaging-innovation

Visit us online at robinsonpackaging.com

Robinson plc, Field House, Wheatbridge,
Chesterfield, S40 2AB United Kingdom

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