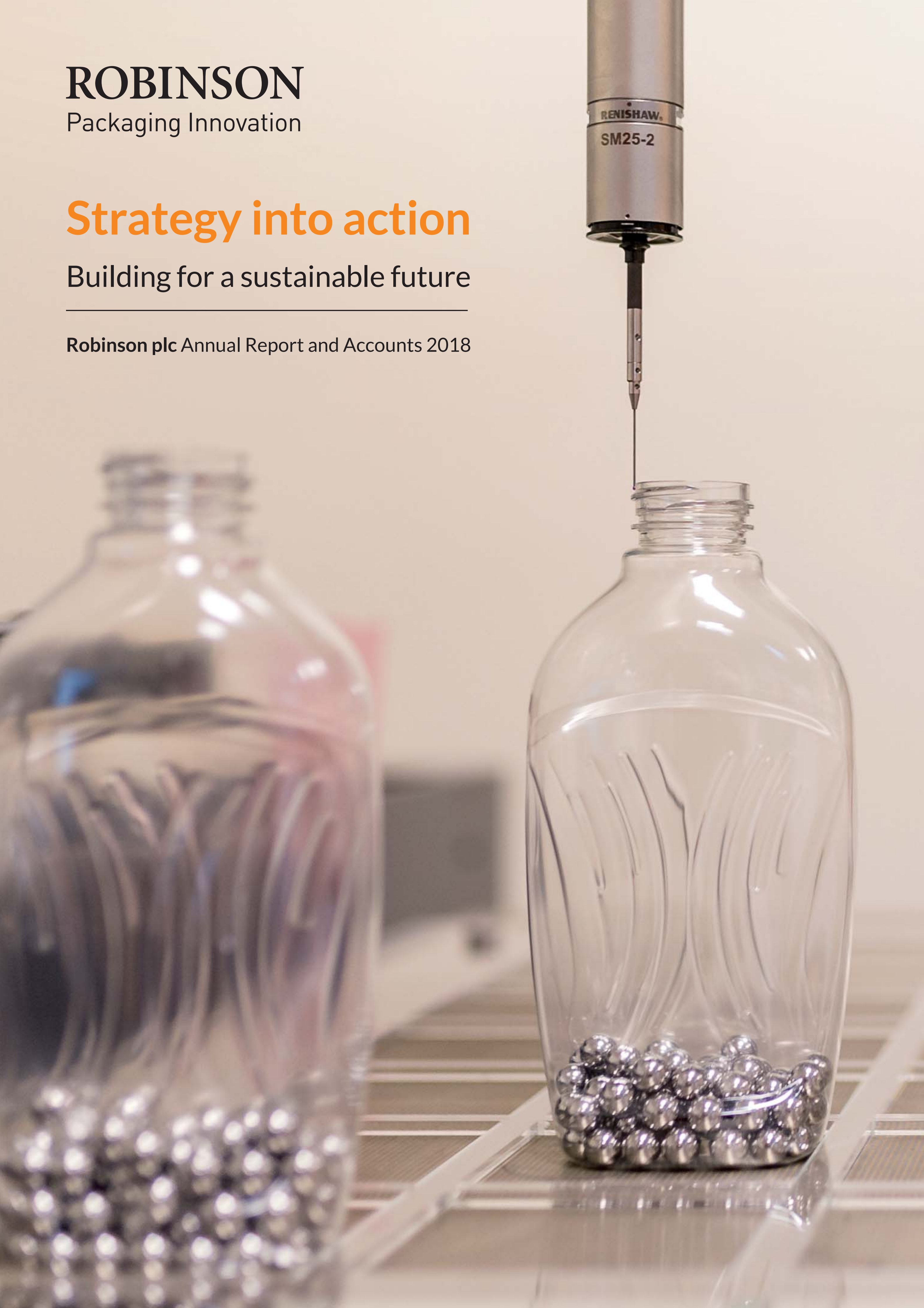

ROBINSON
Packaging Innovation

Strategy into action

Building for a sustainable future

Robinson plc Annual Report and Accounts 2018

Contents

Directors and advisors

Directors

Alan Raleigh Non-executive Chairman

Martin McGee Chief Executive

Guy Robinson Finance Director

Mike Cusick Commercial Director

Anthony Glossop Non-executive Director

Sara Halton Non-executive Director

Registered Office

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Chesterfield, S40 2AB

Nominated Adviser/Broker

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60 New Broad Street, London, EC2M 1JJ

Solicitor

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1 St Paul's Place, Sheffield, S1 2JX

Auditor

Mazars LLP
45 Church Street, Birmingham, B3 2RT

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

Highlights

↑ Revenue increased by
10%
to £32.8m
(2017: £29.8m)

↓ Gross margin reduced from 19% to
18%
Operating costs reduced by
2%

↑ Operating profit before exceptional items and amortisation of intangible assets increased to
£1.5m
(2017: £1.3m)

↑ Net borrowings increased to
£8.8m
(2017: £6.5m)

↑ Capital expenditure was
£4.4m
(2017: £3.2m)

The Board recommends a final dividend for the year of
3.0p per share
(2017: 3.0p)

The total dividend per share declared in respect of 2018 is
5.5p
(2017: 5.5p)

Five year record

Year ended 31 December	£'000	2014	2015	2016	2017	**2018**
Income statement						
Revenue		28,071	29,138	27,459	29,813	**32,802**
Gross profit		6,402	6,995	6,258	5,778	**5,884**
% of revenues		23%	24%	23%	19%	**18%**
Operating profit before exceptional items and amortisation of intangible asset		2,912	3,190	2,138	1,321	**1,514**
Exceptional items		(364)	(1,694)	190	65	**110**
Amortisation of intangible asset		(392)	(783)	(783)	(783)	**(783)**
Operating profit		2,156	713	1,545	603	**841**
Interest		(79)	(92)	(116)	(103)	**(156)**
Finance income in respect of Pension Fund		342	153	189	130	**-**
Profit before taxation		2,419	774	1,618	630	**685**
Taxation		(418)	(679)	(390)	(317)	**10**
Dividends		(755)	(837)	(877)	(901)	**(890)**
Retained profit/(loss)		1,246	(742)	351	(588)	**(195)**
Net assets excluding pension asset after deduction of related deferred tax		22,520	21,471	22,612	23,056	**22,928**
Depreciation		1,176	1,423	1,385	1,492	**1,795**
EBITDA (earnings before interest, tax, depreciation and amortisation)		3,724	2,919	3,713	2,878	**3,419**
Operating profit: revenue		7.7%	2.4%	5.6%	2.0%	**2.6%**
Basic earnings per share		12.4p	0.6p	7.5p	1.9p	**4.2p**

Chairman's report

> I heard a loud and clear message that shareholders want improved performance and clear plans to address margin erosion, sustainability and future cash generation.

This is my first Chairman's report since I was appointed after the AGM in May 2018. I heard a loud and clear message that shareholders want improved performance and clear plans to address margin erosion, sustainability and future cash generation.

With this in mind, the Board has spent considerable time reviewing the strategy and operating plans of the business, with a particular emphasis on customer relationship management, input material costs, operating costs and sustainability. We have also reviewed our key capabilities, including innovation, technology and people.

As a result of this review, we have concluded that our core strategy of partnering with winning customers in attractive markets and geographies remains correct. However, the execution of our strategy needs to be sharpened and our key capabilities can be improved to provide further competitive advantage.

It was agreed that changes were necessary to ensure the Group's future development and success. At the end of November, the Chief Executive resigned, and Martin McGee was appointed as an interim CEO to lead a "Strategy into Action" agenda that will deliver improved shareholder value. This plan, which is already underway, will take time to fully implement but we expect progress during 2019.

Governance

During the year a great deal of emphasis has been placed on corporate governance. The Board has adopted the Quoted Companies Alliance Corporate Governance Code. The roles, relationships and responsibilities of the Board and its committees have been reviewed and updated to ensure we have a team working openly and effectively to deliver the agreed strategy and operational improvements.

Additionally, as a result of the Board changes following the AGM and implementation of the new governance code, a new independent non-executive director was required. After an extensive search process, I am delighted that Sara Halton agreed to join the Board from 1 January 2019. Sara's biography can be found on page 15.

Sustainability

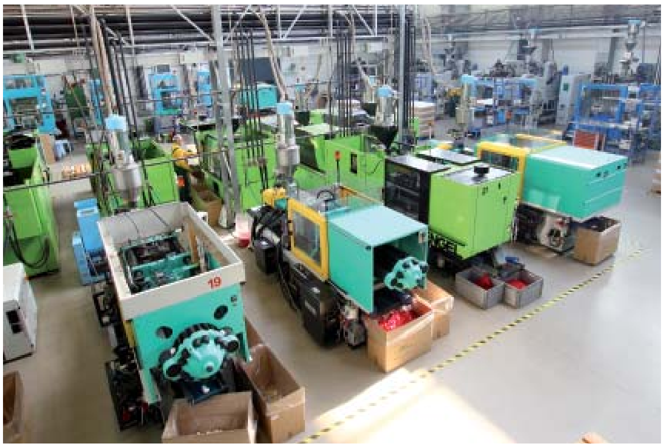
In a world where consumers are correctly challenging the impact of plastic waste on the environment, we must play our part to ensure the lowest possible impact from the design, manufacture and use of the plastic products we produce. To achieve this, we participate in an emerging plastics circular economy. We are committed to using the lowest quantity of total plastic and highest-level of post-consumer recycled plastics in our bespoke products without compromising either aesthetics or functional properties. We will ensure that in future all our products are recyclable and can be responsibly collected, cleaned and then supplied again in a form we can reuse.

We may be a small part of this at the moment, but we are growing and take our responsibilities seriously. We have an important role to play in the development of a fully functioning plastics circular economy. In partnership with our suppliers, industry partners and customers we commit to taking practical, measurable steps which we will report transparently as we progress on this journey.

Revenues, gross margins and operating costs

It is pleasing to report that revenues increased by 10% to £32.8m in 2018. Underlying volumes were 7% higher. We have passed on some, but not all, input price increases to customers in a very challenging retail environment. This has led to a reduction in gross margin from 19% to 18% in the year. In 2018 operating costs reduced by 2% and, whilst we expect to make further investments in personnel to strengthen the business, we recognise that the shape of the profit and loss account needs to be addressed as a key part of delivering adequate returns for our shareholders. Growing revenues whilst maintaining efficient levels of operating costs is part of the planned solution.

Chairman's report continued



Profits

With tighter control of operating costs compensating for the slight gross margin erosion, operating profit has improved in 2018 by 15% to £1.5m whilst EBITDA rose 19% to £3.4m. Basic earnings per share have risen from 1.9p to 4.2p.

Capital investment, financing, dividend and pension

There was an increase in net borrowings of £2.3m in the year as we invested £4.4m (2017: £3.2m) in new plant and equipment and maintained the dividend at £0.9m (2017: £0.9m). Of this capital investment, £3.1m in 2018 related to new business growth and we will continue to invest during 2019 to upgrade current capabilities and accelerate new business growth. Net borrowings ended the year at £8.8m (2017: £6.5m), safely within our £13m of facilities and shareholders' funds reduced slightly from £23.1m to £22.9m.

The Board proposes an unchanged final dividend of 3.0p per share to be paid on 3 June 2019 to shareholders on the register at the close of business on 17 May 2019. The ordinary shares become ex-dividend on 16 May 2019. This brings the total dividend declared in respect of 2018 to 5.5p per share (2017: 5.5p). The IAS19 valuation at the year-end of our pension fund reported a surplus of £6.5m (2017: £8.5m). This surplus is deemed to be irrecoverable and not included in the Company's assets.

Property

The current market for both retail and, locally, residential developments remains challenging, but we continue to explore all opportunities to find suitable schemes for our surplus sites at Walton Works and Boythorpe Works in Chesterfield. We remain confident that buyers will be found but do not expect significant income from the sale of these sites in 2019.

Outlook

Our pipeline of future business is now much stronger and more advanced than in previous years. This, together with even stronger customer partnerships, gives us confidence that we will see double-digit sales growth again in 2019. We also expect a marked step-up in profitability, ahead of market expectations, arising from our "Strategy into Action" program which will drive faster, better execution of our plans. Central Europe will continue to play an important role in driving profitable growth.

Alan Raleigh
Chairman
21 March 2019

Business review

Robinson aims to generate annual sales in excess of £50 million within five years. This will be achieved through a combination of organic growth in our existing markets and expansion in mainland Europe.

We will strengthen our strategic role as a reliable business partner and quality provider of rigid plastic packaging to leading brand owners and their contract suppliers in the personal care/toiletries, household and food sectors in their markets.

To win and maintain the loyalty of new and existing customers, we will combine our broad industry skills and a capability for reliable fast response, quickly developing and supplying bespoke products at competitive prices. Importantly, by leveraging the right equipment technology and processes, we will at the same time ensure our packaging solutions take full advantage of advances in the use of recycled materials and ensure that their impact on the environment is minimised.

Our business model is supported by four strategic pillars. We will:

Maximise the use of sustainable plastics

Through collaboration with external change agents and customers, we will increase environmental awareness and align with the circular economy. Our manufacturing and supply chain operations will also demonstrate a commitment to reduce our environmental footprint, through year-on-year reduction in waste and energy. Most importantly, we will work closely with the plastics industry alliance associations and suppliers to support our promise to use recyclable & recycled plastics in all our products with all customers.

Partner with brand & product innovators

In partnership with winning customers, we will deliver unique rigid plastic packaging that facilitates Brand differentiation, affords product protection and assures ease of use for consumers.

Build long term customer relationships

Through continuous development of the best talent, processes and organisation, we will better understand our customer's markets, plans and needs so we can consistently provide the right packaging solutions and services that secure long term loyalty and repeat custom.

Become more competitive

By embedding a culture of cross functional team work, performance measurement and continuous improvement across our business, we will not only meet our long-term growth and sustainability ambitions but will increase our competitiveness: improving our ability to offer the right products at the right costs to meet specific customers' needs.

We are adopting more collaborative working practices, encouraging team work and promoting best practice across our operations in the UK and Poland.

Our People & Culture

We recognise that our future success relies on retaining and attracting skilled and motivated people. Our main businesses were early adopters of the ISO 9001 Quality Standard and Investors in People and we remain committed to helping our people achieve their maximum potential.

Helping employees to contribute to the best of their abilities at work is supported through the provision of training.

We intend that all employees will receive an annual performance and career development review and have updated and simplified our bonus incentive scheme for 2019 to better align rewards with both business and personal achievement targets.

Robinson is justifiably proud of its packaging industry, technology and engineering knowledge and the experience of many loyal and long-standing professionals as well as talented individuals recruited more recently.

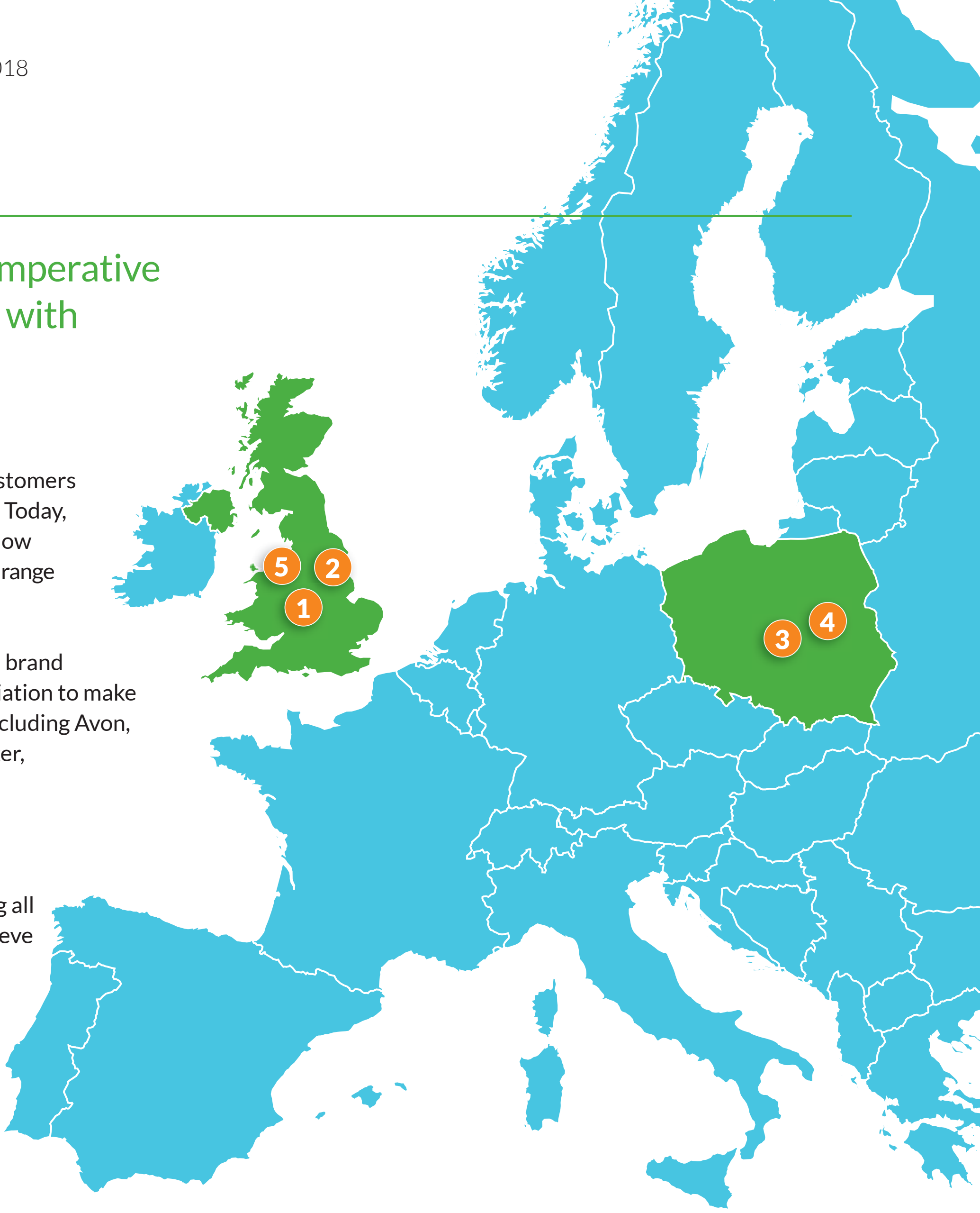
To sustain this precious intellectual property and support succession planning, we are adopting more collaborative working practices, encouraging team work and promoting best practice sharing both across business functions and our operations in UK and Poland.

It is our policy to ensure equal opportunity in recruitment, selection, promotion and employee development and we have an equal opportunities and diversity policy in place. It is a key objective to ensure that successful candidates for appointment and promotion are selected taking account of individual ability, skills and competencies without regard to age, gender, race, religion, disability or sexual orientation.

We're committed to international human rights standards. We do not use child labour and check suppliers in this respect. We do not tolerate unfair discrimination. We comply with laws and standards on working hours.

Business review continued

We believe it is a strategic imperative to be logistically integrated with our customers' operations.



Our Market

Robinson plc has successfully serviced its customers in UK and internationally for over 179 years. Today, it specialises in injection, blow and stretch-blow moulded plastic and rigid paperboard in a wide range of product formats.

Our customers include leading multinational brand owners who seek creative on-shelf differentiation to make their products stand out from the crowd – including Avon, McBride, Nestle, Proctor & Gamble, Dr Oetker, Reckitt Benckiser, SC Johnson and Unilever.

Our Operations

Leading international brand owners require strategic supplier partners capable of serving all their core consumer markets locally. We believe it is a strategic imperative to be logistically integrated with our customers' operations to serve both geographically mature and emerging regions simultaneously. Supplying UK, European and specific export markets, Robinson is an established and respected supplier to our brand led customers across Europe. Specialising in developing solutions specific to each market sector, we aim to manufacture and supply locally throughout the region to best meet our customers' requirements.

Robinson owns five production facilities across the United Kingdom and in Poland.

1 Kirkby
Nottinghamshire UK

Primarily focussed on innovative solutions for the food & drink markets manufacturing custom injection moulded packaging solutions. A large proportion of production from this unit serves the domestic UK food brands.

2 Stanton Hill
Nottinghamshire UK

Manufactures blow moulded products and high quality injection moulded devices such as aerosol actuators. Produced mainly for international toiletries & cosmetics brands for both UK and international markets, including Latin America and Asia.

3 Lodz
Poland

Manufactures high quality injection moulded solutions for many global branded customers serving the emerging Central European markets.

4 Minsk
Poland

Manufactures blow and injection moulded products primarily for the toiletries & cosmetics and household sectors in the region.

5 Chesterfield
Derbyshire UK

The dedicated design and production centre for Robinson Paperbox Packaging – our rigid paper box business, serving domestic confectionary, food, electronics and cosmetic gifting markets.

Business review continued

Quality standards

All our manufacturing facilities are British Retail Consortium (BRC) accredited to food packaging standards and, in the UK, we have long held the ISO 9001 Quality Standard.

This includes our rigid paper box facility based in Chesterfield UK which is now one of the few UK based rigid box manufacturers with this accreditation.

Design solutions

At Robinson we partner with our customers to ensure we have an in-depth understanding of the design, functional and quality standards required from a packaging innovation to meet their consumers' needs. We add value to the new product development process from the start of the brief and aim to structure the projects to reduce unnecessary risk and deliver right-first-time solutions. This is achieved through:

- Applying state-of-the-art design software & hardware including 3D printing
- Investing in in-house engineering skills and capabilities
- Ensuring rigorous new product development and project lead time control
- Delivering speed to market while minimising risk for our customers

This means our design solutions are always relevant from a cost, manufacturability, logistic and environmental perspective as well as delivering real consumer benefits.

Performance Review

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

	2018	2017	2016	Comments
Lost time accidents	**2**	3	1	
Reportable accidents	**6**	3	-	Whilst there has been a small increase in the number of accidents, these were relatively minor and have been followed up with rigorous root cause evaluation and corrective measures to minimise the risk of recurrence.

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

Indicator	**2018**	2017	2016	Comments
Revenue (£'000)	**32,802**	29,813	27,459	Revenues increased by 10% in 2018, with a 7% increase in underlying volumes.
Profitability ratios:				
Gross margin	**18%**	19%	23%	Gross profit as a percentage of revenue. We have passed on some, but not all, costs in a challenging market place.
Trading margin	**5%**	4%	8%	Operating profit before exceptional items and amortisation as a percentage of revenue. The small increase in 2018 is attributable to the increased revenues and slightly lower operating costs.
Return on Capital Employed	**5%**	4%	7%	Operating profit (before exceptional items and amortisation of intangible assets) less taxation divided by the average capital employed (net assets less net debt). Growth has been muted by the significant investments in plant and machinery, which only produced returns for part of the year.
Working capital levels	**26%**	28%	29%	Inventory + trade receivables - trade payables as a percentage of revenue. Despite increased pressure from some of our main customers to extend payment terms, some progress has been made in reducing this.

Investment in new technology continues to yield benefits in electrical consumption rates. Waste to recycling increased slightly because of trends away from black products, which previously consumed some of our waste.

Business review continued

The Group is committed to making sustainable improvements to the design, manufacture and distribution of products. The following indicators are used by the Group to measure its progress in achieving this objective:

Indicator	**2018**	**units per £'000 revenue**	2017	units per £'000 revenue	2016	units per £'000 revenue
Electricity consumed ('000 kwh)	**21,354**	**0.651**	20,343	0.682	19,431	0.708
Waste to recycling (tonnes)	**517**	**0.016**	439	0.015	394	0.014
Waste to landfill (tonnes)	**68**	**0.002**	96	0.003	156	0.006

Investment in new technology continues to yield benefits in electrical consumption rates. Waste to recycling increased slightly because of trends away from black products, which previously consumed some of our waste.

The group employee gender diversity is as follows:

	Male	Female
Directors	5	1
Employees in other senior executive positions	10	2
Total senior managers and directors of the group	**15**	**3**
Other employees of the group	213	97
Total employees of the group	**228**	**100**

In our recruitment process for key roles, we are committed to incorporate principles to ensure greater diversity.

The appointment of Sara Halton as a new non-executive Director is an important first step towards improved gender diversity – especially at senior levels of the Group. In our recruitment process for key roles, we are committed to incorporate principles to ensure greater diversity, for example, in gender, ethnicity and age, as well as company culture and values.

Property

The Group has surplus properties and other properties not used in the manufacture of packaging products with a total value at the end of 2018 of £6.4m (2017: £6.6m). These properties arise from the transfer or sale of previous manufacturing businesses.

Some of these properties are let out to tenants on contracts that vary in length between 1 month and 5 years. The annual gross rental income earned during the year was £0.4m (2017: £0.4m) representing a 6% yield.

The intention of the Group is, over time, to realise the maximum value from surplus properties via disposal and reinvest receipts in developing its packaging business. Investments in AIM trading companies can attract 100% relief from Inheritance Tax (Business Property Relief). Tax counsel have previously advised that the Company qualifies for this relief since the properties held are residue from previous trading activities and there is an active plan to dispose of them.

Business review continued

Pension Fund

The Group had a surplus in its defined benefit scheme fund at the last actuarial valuation (5 April 2017). This scheme was closed to new entrants in 1997 and the intention is to buy out the liabilities when market conditions allow. The IAS19 valuation of the scheme showed a surplus of £6.5m at the end of 2018. This surplus is deemed to be irrecoverable and not included in the Company's assets.

Principal risks and uncertainties

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

	Risk	Impact	Mitigation
Customer relationships	A significant proportion of the Group's turnover is derived from its key customers.	The loss of any of these key customers, or a significant worsening in commercial terms, could adversely affect the Group's results.	Through close collaboration with our key customers: anticipating their needs and rapidly responding to requests.
Fluctuations in input prices	Input prices such as plastic resin prices and electricity costs can fluctuate significantly.	Cost over-run; lower profitability.	The Group monitors the effect of such fluctuations closely, seeks to structure contracts with customers to recover its costs and ensures availability of alternative competitive sources of specific materials.
Foreign currency risk	Significant fluctuations between the £ and Polish Zloty / €.	Exchange rate movements could impact revenues and profitability as we produce in Poland and purchase materials in $'s, £'s and €'s.	Although we do not typically hedge currencies, we regularly monitor these exchange rate movements as a Board.
Unavailability of raw materials	Disruption of supplies to UK, particularly resins, from Europe due to Brexit.	Inability to meet orders; customer service outages.	Parallel measures actioned: increased resin & key materials stock cover; secondary supply sources established through distributors; forward ordering of products for specific customers.
Brexit	The outcome of the ongoing Brexit negotiations may have an impact on the business. In the short term, the main risks to our business are the continuity of supply and pricing. In the longer term, our customers may decide to relocate the manufacturing locations of their products – depending on the outcomes this could either be a benefit or a threat.	The availability of raw materials in the UK market, import. duties and customs procedures may result in delays to deliveries which could impact on our ability to supply our customers. Pricing, driven by market conditions including foreign exchange rates, could also result in lower demand for our products.	To counter these risks, we have built stocks of raw materials, discussed the scenarios with our customers and suppliers and taken steps to minimise the possible disruption to our business in the UK. Robinson is well placed, with operations in both the UK and Central Europe, to mitigate the impact of any such decisions on the group's performance.
People	Low unemployment and high demand, particularly for skilled machine operators and engineers in Poland.	Insufficient labour to run machines; reduced engineering maintenance cover in Polish factories; lower efficiencies & outputs. Higher wage bills.	Frequent salary benchmarking & adjustment needed; increased manufacturing efficiencies to reduce inflationary costs; incentive schemes devised to increase retention.

On behalf of the Board

Guy Robinson
Director
21 March 2019

Sustainability and corporate responsibility

Robinson commits to improving responsible plastic manufacture, by participating fully with our industry partners and suppliers in the circular economy and practically managing the sustainability of our products and operational supply chain processes.

1: Packaging in the environment

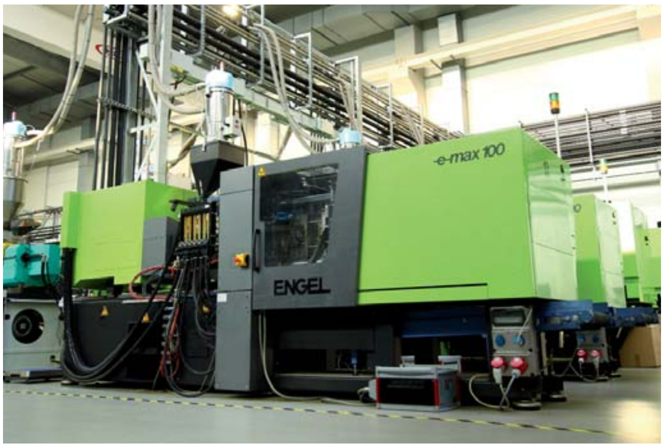
We aim not to put any waste in landfill. Any waste which is not typically recyclable gets sifted by our waste management company, 100% of which is recycled or made into fuel.

We recently joined RECOUP, a plastics cross-industry group established to lead and inform the sustainable development of plastics recycling that protects resources.

To support our customers to communicate with their consumers, we have engaged with Terracycle to devise customised programmes for managing waste disposal, from bespoke collection platforms for specific products to recycling hard-to-recycle waste streams. We will also be working with partners to optimise recycling of on-site waste streams in our manufacturing operations.

We pay a proportion of the cost of the recovery and recycling of our packaging to take responsibility for its environmental impact. This complies with the first producer responsibility legislation in the UK that came into effect in 1997 in Great Britain (1999 in Northern Ireland).

Sustainability and corporate responsibility continued



2: Products and processes at Robinson

Design

We ensure our products are designed to maximise resource efficiency. We use light weighting and value engineering techniques within each design. We also strive to use single polymer assemblies, where feasible, to maximise recyclability. End of life considerations are accounted for with each product design to maximise re-usability.

Energy policy

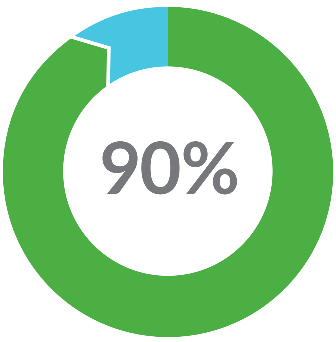
All tooling is designed to produce the most lightweight and cost-effective plastic product possible. We are committed to reducing our carbon footprint year on year. We are replacing all lighting with more efficient LED lighting.

Manufacturing and distribution

Product manufacture is rigorously scrutinised to constantly streamline each process step of production. We use the latest, high-tech, low energy consuming machines to ensure efficient and lean production. We optimise our payloads and routings for transporting goods to minimise our carbon footprint.

Masterbatch containing carbon black

This is the material used in black plastics which are not picked up by automated recycling sensors. Working with our colourant partners, we now offer an alternative that the sensors recognise. Through our membership of RECOUP, we will also participate in the Black Plastic Packaging Recycling forum to ensure we take advantage of further developments in the circular economy.

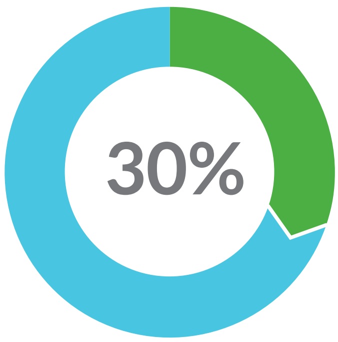


Recycling

We recycle all post-process waste material and out of 100 tons of plastic waste produced, 90% is recycled in our own factories.

General waste recycling

In 2018, we recycled 170 tons of general waste, 20% of which was segregated on site (card, paper etc).



Post-Consumer Recycling (PCR)

We have sourced a post-consumer recycled HDPE by working closely with waste management and recycling experts. We are typically using 30% PCR HDPE in our blow moulded products.

Since early August 2018, we have been rapidly expanding the circle of customers where we use recycled PET for new injection stretch blow moulding projects and in the range of products supplied from our UK and Polish facilities.

At Robinson, we optimise our payloads and routings for transporting goods to minimise our carbon footprint.

Corporate governance

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

People

Health & safety

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

Communication

The Board recognises the need to ensure effective communications with employees. During the year, they were provided with financial and other information affecting the Company and its various operations, by means of the 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. In 2019, the Board will formally review the effectiveness of our communications to key stakeholders, including employees.

Non-discrimination

Our policy is to have no discrimination on grounds of age, race, colour, sex, religion, sexuality or disability. We aim to achieve the highest standards of business integrity and ethics. We will not tolerate any forms of harassment at any level within our organisation or when dealing with people from outside.

Training & education

We recognise the importance of training and education for our people. Our main businesses were early adopters of the ISO 9001 Quality Standard and Investors in People and we remain committed to helping our people achieve their maximum potential.

Welfare

We take the welfare of our employees both past and present very seriously, recognising that an involved caring community is a more satisfying place to work. A Group pension scheme is in place and we encourage employees to save for their retirement. We publish a Group magazine every 6 months that is distributed to all employees and pensioners. We have a Group Welfare Officer, who inter alia looks after the foundation club (for retired employees), a visitors' panel and the annual pensioners' party.

Products

We aim to produce our products in a responsible manner, using innovative design and manufacturing to meet our customers' requirements with minimum adverse impact on the environment. We work with our customers and suppliers to ensure recycled materials can be used where possible and that the product specification is optimised to reduce the weight or other factors that affect its impact on the environment.

Places

We want our manufacturing processes to have as minimal impact on the environment as possible. You will see from the Strategic report that we measure several indicators to ensure that we make continuous improvements in this area. We aim to recycle as much of our waste as possible. We are working to increase the environmental awareness of our staff in order that both the Company and the local community can benefit.

Code compliance

The Board has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code in line with the London Stock Exchange's recent changes to the AIM Rules. With the appointment of Sara Halton as an independent Non-Executive Director on 1 January 2019, the Board considers it has complied with all the requirements of the Code.

The Company has a strategy which sets out how we intend to achieve growth in shareholder value.

Our responsibilities include:

- having a board of directors, senior management team and workforce with the necessary mix of skills and experience to execute and evolve the strategy and business model;
- having all individuals in the business working together effectively, within a clear organisational structure; and
- maximising the chances for successful execution of the strategy by putting in place tailored processes.

We understand good corporate governance is not complete without it being communicated effectively, thus promoting trust among shareholders and other stakeholders.

The board members have a collective responsibility and legal obligation to promote the interests of the company and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.

We understand good corporate governance is not complete without it being communicated effectively, thus promoting trust among shareholders and other stakeholders.

Corporate governance continued

Board of Directors

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

The Board reviews its performance as an integral part of each board meeting and appraises the performance of each Director. During 2019 we plan an externally facilitated review.

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

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

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 Chief Executive, a Finance Director and a Commercial Director. This provides a broad background of experience and a balance whereby the Board's decision making cannot be dominated by one individual.

The Chairman of the Board is Alan Raleigh and the Group's business is run by the Chief Executive (Martin McGee), the Finance Director (Guy Robinson) and the Commercial Director (Mike Cusick). The biographies of the Directors, who we consider to be the key managers of the business, are set out below:

Alan Raleigh Non-executive Chairman and Senior Independent Director

Alan joined the Board in August 2015. After gaining a BSc (Hons) in Production Engineering and Production Management from Strathclyde University he spent his career with Unilever plc holding a variety of senior positions in the UK, US and Japan. He was Executive Vice President, Personal Care Supply Chain until 2016 and is a non-executive director of Coletta, a Swedish confectionary company listed on the Stockholm Stock Exchange. Alan brings experience in highly relevant sectors to the Board.

Alan is primarily responsible for:
- overall leadership and governance of the Board
- promoting a healthy culture of challenge and debate
- fostering open and effective relationships between the Executive and Non-Executive directors
- ensuring Board and shareholder meetings are properly conducted
- promoting effective decision making.

Martin McGee Chief Executive

Martin has an honours degree in Chemistry from Sheffield University and spent his early career in UK, Holland, Sweden, Japan and Brazil with Unilever plc, prior to moving into international R&D and Technical Director roles for PZ Cussons Ltd and the Scotts Company Ltd. He left Avon Products Inc as VP Global Manufacturing and Supply Chain Operations in 2014, acted as Independent Advisor to McKinsey & Company to 2016 and Chief Operating Officer for McBride PLC to May 2018. Martin has over eighteen years Board level experience across consumer packaging businesses as both customer and supplier, leading strategy development and operational improvements that deliver better and more profitable products and services.

Martin is primarily responsible for:
- development, implementation and communication of business model and strategy
- leadership and development of all employees
- delivery of financial and operational performance targets
- establishing a firm business base to support sustainable growth
- building relationships with all stakeholders.

The Board considers that it has sufficient experience, skills, personal qualities and capabilities to deliver the strategy of the Company. The Board regularly review its composition and depth of skills to ensure it can support the ongoing development of the Company. The directors are kept up to date on key issues and developments pertaining to the Company through the executive directors and external advisers. There is a succession plan in place for the Board and this is being actively progressed.

Shareholders

The Company will maintain a regular dialogue with existing and potential investors both directly and through its brokers to communicate its strategy and understand shareholder expectations. This will be done by the Board at the Annual General Meeting and through periodic Investor Roadshows that showcase evolutions in our business and offer the opportunity to meet and engage with the Board and senior business leaders.

Wider Responsibilities

Robinson is aware of its corporate social responsibilities and the need to maintain balanced relationships with its shareholders, employees, customers, suppliers, the environment and other stakeholders. Based on stakeholder feedback we plan to assess our plans on Safety, Diversity and Sustainability and, if appropriate, intervene to drive further progress.

Internal control

The Board recognises its responsibility for maintaining systems of internal control and reviewing their effectiveness. The Board maintains procedures for identifying significant risks faced by the Group. The Board has reviewed the operation and effectiveness of the Group's system of internal financial control for the financial year up to the date of approval of the financial statements. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

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

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

Guy Robinson Finance Director

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

Mike Cusick Commercial Director

A qualified management accountant, Mike joined Robinson in 2015 and was appointed a director in January 2019. 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 8 years in various finance roles at SIG plc, latterly as Financial Controller, Mainland Europe.

Anthony Glossop Non-executive Director

Anthony was appointed a director in 1995 and is Chairman of the remuneration committee. After qualifying as a solicitor, he entered industry as a company secretary. He became Chief Executive of a West Midlands engineering group.

During the engineering recession of the 1980s he steered that group into what is now St Modwen Properties of which he was Chief Executive and then Chairman.

Sara Halton Non-executive Director

Sara has held key senior executive positions at well-known British brands, including as Chief Executive Officer of Molton Brown. She brings a wealth of experience in driving strategic growth for global brands.

Sara is a Chartered Accountant having gained MSc in Economics and Econometrics, and BSc in Economics, at the University of Southampton.

Corporate governance continued

Audit Committee Report

Dear Shareholder

I am pleased to present the report on the activities of the Audit Committee for the year and to be able to confirm on behalf of the Board that the annual report and accounts taken as a whole is fair, balanced and understandable.

Roles and responsibilities:

The Audit Committee is chaired by Alan Raleigh and includes Anthony Glossop, Sara Halton, and Martin McGee with Guy Robinson as secretary. 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 is 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.

Alan Raleigh
21 March 2019

Remuneration Committee Report

Dear Shareholder

On behalf of the Remuneration Committee, I am pleased to present the Remuneration Committee report for the year ended 31st December 2018.

Roles and responsibilities:

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

The role of the Committee is to recommend to the Board a strategy and framework for remuneration for Directors and the senior management team to attract and retain leaders who are focused and incentivised to deliver the Company's strategic business priorities, within a remuneration framework which is aligned with the interests of our shareholders and thus designed to promote the long-term success of the Group.

The Committees main responsibilities are:
- 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.

Details of director's remuneration are included in the Directors Report.

Anthony Glossop
21 March 2019

Nomination Committee Report

Dear Shareholder

As Chairman of the Nomination Committee, I present our report detailing the role and responsibilities of the Committee and its activities during the year.

Roles and responsibilities:

The Nomination Committee is chaired by Alan Raleigh and includes Anthony Glossop, Sara Halton and Martin McGee with Guy Robinson as secretary. This Committee meets at least once per year and reviews the Board's structure, size and composition. It is also responsible for succession planning for Directors and other senior executives.

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, including gender 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 Chief Executive; 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.

Board changes:

On 10 May 2018 Richard Clothier resigned as Non-Executive Chairman and was replaced by Alan Raleigh. On 30 November 2018 Adam Formela resigned as Chief Executive and was replaced on 6 December 2018 by Martin McGee.
On 1 January 2019 Mike Cusick was appointed as Commercial Director and Sara Halton joined the Board as a Non-Executive Director.

Alan Raleigh
21 March 2019

Attendance of Board and Committee meetings

The attendance at meetings for the year ended 31 December 2018 were as follows:

2018	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings	8	3	2	6
Alan Raleigh	8	3	2	6
Martin McGee (from 6/12/18)	1	1	-	1
Guy Robinson	8	3	2	6
Anthony Glossop	8	3	2	6
Richard Clothier (to 10/5/18)	3	1	1	2
Adam Formela (to 30/11/18)	7	2	2	5

There were more Nomination Committee meetings than normal during the year because of the review of the Board structure together with the changes that followed.

Director's report

The directors present their report and the audited financial statements of the Group for the year ended 31 December 2018. The financial statements of the Group and the Company have been prepared under International Financial Reporting Standards as adopted by the European Union.

Dividends

The directors recommend a final dividend of 3p per share to be paid on 3 June 2019 to shareholders on the register on 17 May 2019.

Directors and directors' interests

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

	31 December 2018	31 December 2017
Guy Robinson	**1,212,601**	1,159,635
Anthony Glossop	**196,922**	196,922
Alan Raleigh	**Nil**	Nil
Martin McGee (appointed 6 December 2018)	**Nil**	Nil
Mike Cusick (appointed 1 January 2019)	**5,458**	4,792
Sara Halton (appointed 1 January 2019)	**Nil**	Nil
Adam Formela (resigned 30 November 2018)		309,944
Richard Clothier (resigned 10 May 2018)		54,548

No director had any interest in the shares of any other Group company. The Group maintains insurance cover to protect directors in respect of their duties as directors of the Group. During the year, none of the directors had any material interest in any contract of significance in relation to the Group's business. In accordance with the Company's Articles of Association, Martin McGee, Mike Cusick, Sara Halton and Anthony Glossop retire and offer themselves for re-election. Further details concerning directors are provided in the Report on Corporate Governance.

Remuneration Policy

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

Directors' Service Contracts

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

Remuneration Package

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

Summary of Directors Remuneration

£'000	Salary & benefits-in-kind	Bonus	Company pension contributions	**Total 2018**	Total 2017
A Formela	455	-	63	**518**	253
G Robinson	160	-	-	**160**	154
A Raleigh	53	-	-	**53**	40
A Glossop	45	-	-	**45**	45
R Clothier	23	-	-	**23**	56
M McGee	19	-	-	**19**	-
2018	**755**	**-**	**63**	**818**	
2017	516	-	32	-	**548**

Director's report continued

Following his resignation, Adam Formela received one years' notice pay and benefits during the year, in line with his service contract. Adam Formela was a member of a money purchase pension scheme and the Company contributed at a rate of 15% of salary.

Bonus

The Executive Directors participate in an annual bonus plan which allows them to earn up to 70% of their basic annual salary of which 70% is based on achieving profit targets and 30% on achieving agreed strategic objectives.

Long Term Incentives

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

Interests in Share Options

The Company has an equity settled share option scheme for its Executive Directors and other key managers. Details of outstanding share options on 0.5p ordinary shares are as follows:

	Granted 04-May-11	Granted 14-Nov-13	Granted 07-Apr-14	Granted 11-May-17	**Outstanding 31-Dec-18**
Adam Formela (*)	450,000	140,056			**590,056**
Guy Robinson		140,056	67,494		**207,550**
Mike Cusick				58,000	**58,000**
Other key managers				75,000	**75,000**
	450,000	280,112	67,494	133,000	**930,606**
Weighted average price	69p	43p	202p	130p	**80p**
Contractual life outstanding (weighted average) - years (*)					6

* Following his resignation, Adam Formela is entitled to exercise his outstanding options until 16 April 2019. These options have not been included in the Contractual life outstanding calculation.

Generally, the share options may be exercised in whole or in part at any time between the third and tenth anniversary of being granted subject to the achievement of certain performance criteria. 797,606 options were exercisable at the end of the period. The market value of the shares at 31 December 2018 was 65p per share.

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.

Director's report continued

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

The principal financial risks the Group faces in its activities are:
- Credit risk from debts arising from its operations
- Foreign currency risk, to which the Group is exposed through its investment in one unlisted company based overseas
- Refinancing and/or liquidity risk

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

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

Further details are given in note 22 to the financial statements and in the Business review.

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 Business review.

The Group meets its day to day working capital requirements through an overdraft facility which is due for renewal in February 2020. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The Group will seek to renegotiate this facility in due course and management is confident that a facility will be forthcoming on acceptable terms.

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

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

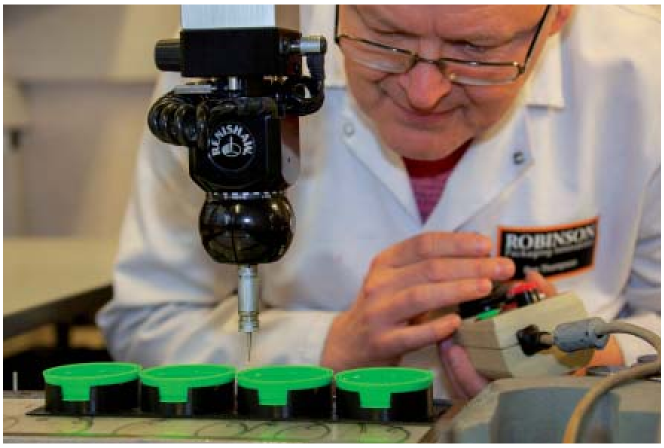
Subsequent events
There have been no events since the balance sheet date that would have had a material impact on the financial statements.

Capital structure
As set out in note 20, the issued share capital of the Company is 17,687,223 ordinary shares of 0.5p each of which 1,073,834 are held in treasury. There have been no changes to the issued share capital since the year end. There is only one class of share in issue and there are no restrictions on the voting rights attached to these shares or the transfer of securities in the Company.

Details of share options are set out above. Persons with a shareholding of over 3% in the Company as at 31 December 2018 were:

	Total	%
C W G Robinson	1,212,601	7.3%
S J Robinson	724,585	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%

Director's report continued



Auditor

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

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

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

On behalf of the Board

Guy Robinson
Director
21 March 2019

Group income statement and statement of comprehensive income

Group income statement	Note	£'000	**2018**	2017
Revenue	1		**32,802**	29,813
Cost of sales			**(26,918)**	(24,035)
Gross profit			**5,884**	5,778
Operating costs	2		**(4,370)**	(4,457)
Operating profit before exceptional items and amortisation of intangible assets			**1,514**	1,321
Exceptional items	3		**110**	65
Amortisation of intangible assets	11		**(783)**	(783)
Operating profit after exceptional items			**841**	603
Finance income - interest receivable			**-**	1
Finance costs - bank interest payable			**(156)**	(104)
Finance income in respect of pension fund	26		**-**	130
Profit before taxation	4		**685**	630
Taxation	6		**10**	(317)
Profit attributable to the owners of the Company			**695**	313
Basic earnings per share	8		**4.2p**	1.9p
Diluted earnings per share	8		**4.2p**	1.9p

Group statement of comprehensive income	Note	£'000	**2018**	2017
Profit for the year			**695**	313
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of net defined benefit liability	26		**193**	61
Deferred tax relating to items not reclassified	16		**-**	(11)
			193	50
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations			**(138)**	818
Other comprehensive income for the year			**55**	868
Total comprehensive income for the year attributable to the owners of the Company			**750**	1,181

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

Statement of financial position

Statement of financial position	Note	£'000	**Group 2018**	Group 2017	**Company 2018**	Company 2017
Non-current assets						
Goodwill	10		**1,115**	1,115	**-**	-
Other intangible assets	11		**4,306**	5,089	**-**	-
Property, plant and equipment	12		**19,039**	17,011	**9,312**	9,649
Investments in subsidiaries	13		**-**	-	**20,690**	20,782
Deferred tax asset	16		**868**	95	**523**	503
			25,328	23,310	**30,525**	30,934
Current assets						
Inventories	14		**2,972**	2,838	**-**	-
Trade and other receivables	15		**10,699**	9,905	**1,236**	2,747
Deferred tax asset			**-**	-	**-**	-
Cash			**1,358**	283	**227**	148
			15,029	13,026	**1,463**	2,895
Total assets			**40,357**	36,336	**31,988**	33,829
Current liabilities						
Trade and other payables	17		**(5,897)**	(5,568)	**(6,639)**	(8,559)
Corporation tax payable			**(99)**	(250)	**(37)**	(8)
Bank overdrafts	18		**(6,178)**	(6,441)	**(1,518)**	(2,021)
Bank and other loans	18		**-**	(221)	**-**	-
Obligations under finance lease contracts	18		**(276)**	(44)	**-**	-
			(12,450)	(12,524)	**(8,194)**	(10,588)
Non-current liabilities						
Bank and other loans	18		**(2,700)**	-	**(2,700)**	-
Obligations under finance lease contracts	18		**(1,049)**	(87)	**-**	-
Deferred tax liabilities	16		**(1,056)**	(488)	**-**	-
Amounts due to group undertakings			**-**	-	**(7,652)**	(9,208)
Provisions	19		**(174)**	(181)	**(174)**	(181)
			(4,979)	(756)	**(10,526)**	(9,389)
Total liabilities			**(17,429)**	(13,280)	**(18,720)**	(19,977)
Net assets			**22,928**	23,056	**13,268**	13,852
Equity						
Share capital	20		**83**	83	**83**	83
Share premium			**732**	732	**732**	732
Capital redemption reserve			**216**	216	**216**	216
Translation reserve			**826**	964	**-**	-
Revaluation reserve			**4,126**	4,321	**388**	388
Retained earnings			**16,945**	16,740	**11,849**	12,433
Equity attributable to shareholders			**22,928**	23,056	**13,268**	13,852

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 £101,000 (2017: loss £750,000).

Notes 1 to 27 form an integral part of the financial statements. The financial statements were approved by the directors and authorised for issue on 21 March 2019. They were signed on their behalf by:

Martin McGee
Director

Guy Robinson
Director

Statement of changes in equity

Statement of changes in equity £'000	Share Capital	Share Premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Retained earnings	Total
Group							
At 1 January 2017	82	610	216	146	4,402	17,181	22,637
Profit for the year						313	313
Other comprehensive income/(expense)				818		50	868
Transfer from revaluation reserve as a result of property transactions					(81)	81	-
Credit in respect of share based payments						16	16
Total comprehensive income for the year	-	-	-	818	(81)	460	1,197
Shares issued	1	122					123
Dividends paid						(901)	(901)
Transactions with owners	1	122	-	-	-	(901)	(778)
At 31 December 2017	83	732	216	964	4,321	16,740	23,056
Profit for the year						695	695
Other comprehensive income/(expense)				(138)		193	55
Transfer from revaluation reserve as a result of property transactions					(195)	195	-
Credit in respect of share based payments						12	12
Total comprehensive income for the year	-	-	-	(138)	(195)	1,095	762
Shares issued							-
Dividends paid						(890)	(890)
Transactions with owners	-	-	-	-	-	(890)	(890)
At 31 December 2018	**83**	**732**	**216**	**826**	**4,126**	**16,945**	**22,928**

£'000	Share Capital	Share Premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Retained earnings	Total
Company							
At 1 January 2017	82	610	216	-	435	10,034	11,377
Loss for the year						(750)	(750)
Dividends received						3,937	3,937
Other comprehensive expense						50	50
Transfer from revaluation reserve as a result of property transactions					(47)	47	-
Credit in respect of share based payments						16	16
Total comprehensive income for the year	-	-	-	-	(47)	3,300	3,253
Shares issued	1	122					123
Dividends paid						(901)	(901)
Transactions with owners	1	122	-	-	-	(901)	(778)
At 31 December 2017	83	732	216	-	388	12,433	13,852
Profit for the year						101	101
Other comprehensive income						193	193
Transfer from revaluation reserves as a result of property transactions							-
Credit in respect of share based payments						12	12
Total comprehensive income for the year	-	-	-	-	-	306	306
Shares issued							-
Dividends paid						(890)	(890)
Transactions with owners	-	-	-	-	-	(890)	(890)
At 31 December 2018	**83**	**732**	**216**	**-**	**388**	**11,849**	**13,268**

The share premium account is the amount paid for shares issued in excess of the nominal value. The capital redemption reserve represents the amount by which the Company's share capital has been diminished by the cancellation of shares held in treasury. The retained earnings reserve represents the accumulated realised earnings from the prior and current periods as reduced by losses and dividends from time to time. Exchange differences relating to the translation from the functional currencies of the group's foreign subsidiary from Polish Zloty are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of translation reserve. The property revaluation reserve arises on the revaluation of land and buildings. Where revalued land or buildings are sold, the portion of the property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings. Land and buildings are held at deemed cost in the Group and at revalued amounts in the Company.

Statement of cash flows

Statement of cash flows £'000	**Group 2018**	Group 2017	**Company 2018**	Company 2017
Cash flows from operating activities				
Prof it/(loss) for the year	**695**	313	**104**	(750)
Adjustments for:				
Depreciation of property, plant and equipment	**1,795**	1,492	**124**	260
Impairment of property, plant and equipment	**189**	-	**189**	-
Loss/(profit) on disposal of other plant and equipment	**209**	(85)	**(5)**	(82)
Impairment/amortisation of goodwill and customer relationships	**783**	783	**-**	-
Decrease in provisions	**(7)**	(4)	**(7)**	(4)
Other finance income in respect of Pension Fund	**-**	(130)	**-**	(130)
Finance costs	**156**	104	**181**	180
Finance income	**-**	(1)	**(80)**	(34)
Taxation (credited) / charged	**(10)**	317	**(99)**	108
Other non-cash items:				
Pension current service cost and expenses	**193**	191	**193**	191
Charge for share options	**12**	16	**12**	16
Operating cash flows before movements in working capital	**4,015**	2,996	**612**	(245)
Increase in inventories	**(151)**	(263)	**-**	-
(Increase)/decrease in trade and other receivables	**(853)**	(875)	**1,511**	571
Increase/(decrease) in trade and other payables	**329**	411	**(1,621)**	49
Cash generated by/(used in) operations	**3,340**	2,269	**502**	375
Corporation tax paid	**(294)**	(405)	**(102)**	(202)
Interest paid	**(150)**	(104)	**(181)**	(180)
Net cash generated by/(used in) operating activities	**2,896**	1,760	**219**	(7)
Cash flows from investing activities				
Interest received	**-**	1	**80**	34
Acquisition of plant and equipment	**(4,355)**	(2,614)	**-**	(25)
Proceeds on disposal of property, plant and equipment	**15**	151	**30**	132
Net cash (used in)/generated from investing activities	**(4,340)**	(2,462)	**110**	141
Cash flows from financing activities				
Loans repaid	**(221)**	(531)	**-**	-
Loans drawndown	**2,700**	-	**2,700**	-
Loans granted to subsidiaries	**-**	-	**(1,557)**	-
Loans repaid by subsidiaries	**-**	-	**-**	3,655
Shares issued	**-**	123	**-**	123
Finance leases drawndown	**1,300**	-	**-**	-
Finance lease payments	**(106)**	(28)	**-**	-
Dividends paid	**(890)**	(901)	**(890)**	(901)
Net cash generated from/(used in) financing activities	**2,783**	(1,337)	**253**	2,877
Net decrease in cash and cash equivalents	**1,339**	(2,039)	**582**	3,011
Cash and cash equivalents at 1 January	**(6,158)**	(4,206)	**(1,873)**	(4,884)
Effect of foreign exchange rate changes	**(1)**	87	-	-
Cash and cash equivalents at 31 December	**(4,820)**	(6,158)	**(1,291)**	(1,873)
Cash	**1,358**	283	**227**	148
Overdraf t	**(6,178)**	(6,441)	**(1,518)**	(2,021)
Cash and cash equivalents at 31 December	**(4,820)**	(6,158)	**(1,291)**	(1,873)

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

Notes to the financial statements

1 Segmental information

The directors consider the one operating segment of the Group to be solely plastic and paperboard packaging. Accordingly, the disclosures in respect of this segment are those of the Group as a whole. The Group's internal reports about components of the Group which are those reported to the Board of Directors are based on geographical segments. Results were derived from assets and liabilities held in the following locations:

£'000	2018	2017	2018	2017
	Revenue		Operating profit/(loss)*	
United Kingdom	**17,892**	16,828	**677**	772
Poland	**14,910**	12,985	**912**	990
UK- Head Office	**-**	-	**(75)**	(441)
	32,802	29,813	**1,514**	1,321

*before exceptional items and amortisation of intangible asset.

Included in revenues arising from the UK are revenues from the Group's largest customer amounting to £3,663,000 (2017: £2,888,000). No other customer contributed 10% or more to group revenue. The UK-Head Office operating loss is after crediting external property rental and other income (see note 2).

£'000	2018	2017	2018	2017
	Assets		Liabilities	
United Kingdom	**11,455**	9,980	**(7,785)**	(6,780)
Poland	**17,003**	15,368	**(5,161)**	(4,088)
UK- Head Office	**11,899**	10,988	**(4,483)**	(2,412)
	40,357	36,336	**(17,429)**	(13,280)

£'000	2018	2017	2018	2017	2018	2017
	Capital expenditure		Depreciation and amortisation		Taxation	
United Kingdom	**2,346**	1,274	**920**	599	**105**	66
Poland	**2,045**	1,894	**902**	748	**192**	275
UK- Head Office	**(36)**	26	**756**	928	**(307)**	(24)
	4,355	3,194	**2,578**	2,275	**(10)**	317

2 Operating costs £'000	2018	2017
Selling, marketing and distribution costs	**1,323**	1,267
Administrative expenses	**3,450**	3,569
Property rental income	**(356)**	(352)
Other income	**(95)**	(94)
Loss on foreign exchange	**48**	67
	4,370	4,457

Notes to the financial statements continued

3 Exceptional items

The following are items outside the normal course of business:	£'000	2018	2017
Profit on disposal of properties		-	65
Restructuring & rationalisation costs		(388)	-
Property taxes relating to prior years repaid		498	-
		110	65

4 Profit before taxation

The profit before taxation has been stated after charging / (crediting):	£'000	2018	2017
Depreciation		1,795	1,492
Amortisation of intangible asset		783	783
Loss/(gain) on disposal of plant and equipment		209	(20)
Gain on disposal of properties (see note 3)		-	(65)
Loss on foreign exchange movements		48	67
Fees payable to the Company's auditor:			
for the audit of the UK companies		28	26
for the audit of the overseas companies		8	8
Total audit fees		36	34
Non-audit fees - tax compliance services		8	7
Total auditor's remuneration		44	41
Audit fees in respect of the Robinson pension scheme (charged to the scheme)		4	4

5 Employee information

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

		Group 2018	Group 2017	Company 2018	Company 2017
Number employed	No.	325	312	9	10
Staff costs (for the above):	£'000				
Wages and salaries		6,327	6,454	713	868
Social security costs		788	764	89	120
Pension costs		212	196	47	53
Share based charges		12	16	12	16
		7,339	7,430	861	1,057

Notes to the financial statements continued

6 Taxation

Current corporation tax is calculated at 19% (2017: 19.25%) of the estimated assessable profit for the year. In addition, deferred tax of £nil (2017: £11,000) has been debited/credited directly to equity in the year (see note 16). The tax charge for the year can be reconciled to the profit per the income statement as follows:

£'000	2018	2017
Current tax on profit for the year	203	269
Adjustments for current tax of prior periods	(8)	116
Total current tax charge	195	385
Decrease/(increase) in deferred tax assets	(773)	93
(Decrease)/increase in deferred tax liability	568	(161)
Total current deferred tax credit	(205)	(68)
Total tax (charge) / credit	(10)	317
Profit before taxation	685	630
At the effective rate of tax of 19% (2017: 19.25%)	130	121
Difference in rate on overseas taxation	-	8
Items disallowable for tax	(18)	(18)
Depreciation on assets ineligible for capital allowances	57	38
Prior year adjustments - corporation tax	(93)	116
Prior year adjustments - deferred tax	(104)	41
Book value of property disposals less than/(in excess of) capital gains	-	12
Other differences	18	(1)
Tax (credit) / charge for the year	(10)	317

The total tax recognised in other comprehensive income in the year was £nil (2017: £11,000). There are unrecognised capital losses carried forward of £638,000 (2017: £638,000). With this exception, the directors are not aware of any material factors affecting the future tax charge. The reduction in the main rate of corporation tax to 17% from 1 April 2020 has been announced. Accordingly, deferred tax balances have been revalued to the lower rate of 17% in these accounts to the extent that timing differences are expected to reverse after this date.

7 Dividends		£'000	2018	2017
Ordinary dividend paid:	2017 final of 3p per share (2016: 3p per share)		485	485
	2018 interim of 2.5p per share (2017: 2.5p per share)		405	416
			890	901

The Directors propose a final dividend of 3p per share for 2018.

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 £695,000 (2017: £313,000) divided by the weighted average number of shares in issue, net of treasury shares of 16,613,389 (2017: 16,561,169) and for diluted earnings per share of 16,613,389 (2017: 16,857,023) after the potentially dilutive effect of further shares issued through share options is applied.

9 Operating lease arrangements

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

		£'000	2018	2017
Receivable:	Within one year		230	125
	In the second to fifth years inclusive		615	198
			845	323

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 2017 and 31 December 2018	1,487
Accumulated impairment losses	
At 1 January 2017 and 31 December 2018	372
Carrying amount	
At 1 January 2017 and 31 December 2018	**1,115**

The Group tests goodwill annually for impairment, or more frequently if there are indications that an impairment may be required. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for these calculations are those regarding discount rates, sales and operating profit growth rates. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money for the Group. In respect of the other assumptions, external data and management's best estimates are applied. The Group performs goodwill impairment reviews by forecasting cash flows based upon the following year's budget, which anticipates sales growth, and a projection of sales and cash flows based upon industry growth expectations over a further period of four years. The forecasts used in the annual impairment reviews have been prepared taking into account current economic conditions. After this period, the sales growth rates applied to the cash flow forecasts are no more than 2% (2017: 2%) in perpetuity. The pre-tax rate used to discount the forecast cash flows is 10% (2017: 10%). The carrying value of the Group's CGUs remain supportable.

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

11 Other intangible assets	Customer relationships
Group	
Cost	£'000
At 1 January 2017 and 31 December 2018	7,830
Amortisation	
At 1 January 2017	1,958
Charge for the year	783
At 31 December 2017	2,741
Charge for the year	783
At 31 December 2018	3,524
Carrying amount	
At 31 December 2018	**4,306**
At 31 December 2017	5,089

The amortisation period for customer relationships acquired is 10 years.

Notes to the financial statements continued

12 Property, plant and equipment

£'000	Land and buildings	Surplus properties	Plant and machinery	Assets under construction	Total
Group					
Cost or deemed cost					
At 1 January 2017	9,014	4,075	21,685	242	35,016
Additions at cost	15	21	2,034	1,124	3,194
Disposals	-	(50)	(246)	-	(296)
Movement between categories	26	-	216	(242)	-
Exchange movement	496	-	866	-	1,362
At 31 December 2017	9,551	4,046	24,555	1,124	39,276
Additions at cost	17	-	4,338	-	4,355
Disposals	-	-	(1,701)	-	(1,701)
Movement between categories	-	-	1,112	(1,112)	-
Exchange movement	(82)	-	(158)	(12)	(252)
At 31 December 2018	9,486	4,046	28,146	-	41,678
Accumulated depreciation and impairment					
At 1 January 2017	1,926	208	18,048	-	20,182
Charge for year	286	-	1,206	-	1,492
Disposals	-	-	(230)	-	(230)
Exchange movement	113	-	708	-	821
At 31 December 2017	2,325	208	19,732	-	22,265
Charge for year	280	-	1,515	-	1,795
Impairment	-	189	-	-	189
Disposals	-	-	(1,477)	-	(1,477)
Exchange movement	(18)	-	(115)	-	(133)
At 31 December 2018	2,587	397	19,655	-	22,639
Net book value					
At 31 December 2018	6,899	3,649	8,491	-	19,039
At 31 December 2017	7,226	3,838	4,823	1,124	17,011

£'000	Land and buildings	Surplus properties	Plant and machinery	Assets under construction	Total
Company					
Cost or deemed cost					
At 1 January 2017	3,200	6,768	355	-	10,323
Additions at cost	-	21	4	-	25
Intergroup transfer	1,456	-	-	-	1,456
Disposals	-	(50)	(38)	-	(88)
At 31 December 2017	4,656	6,739	321	-	11,716
Additions at cost	-	-	-	-	-
Intergroup transfer	-	-	(36)	-	(36)
Disposals	-	-	(219)	-	(219)
At 31 December 2018	4,656	6,739	66	-	11,461
Depreciation					
At 1 January 2017	1,071	133	291	-	1,495
Intergroup transfer	236	-	24	-	260
Charge for year	350	-	-	-	350
Disposals	-	-	(38)	-	(38)
At 31 December 2017	1,657	133	277	-	2,067
Charge for year	112	-	11	-	123
Impairment	-	189	-	-	189
Intergroup transfer	-	-	(11)	-	(11)
Disposals	-	-	(219)	-	(219)
At 31 December 2018	1,769	322	58	-	2,149
Net book value					
At 31 December 2018	2,887	6,417	8	-	9,312
At 31 December 2017	2,999	6,606	44	-	9,649

Notes to the financial statements continued

12 Property, plant and equipment (continued)

At 31 December 2018 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 £5,897,000 (2017: £6,161,000); Company £1,927,000 (2017: £2,013,000). The Directors consider the fair value of the surplus properties held by the Group equates to a market value of £6.4m (2017: £6.6m).

13 Investments in subsidiaries

£'000	Shares in group undertakings	Loans to group undertakings	Total
Company			
Cost			
At 1 January 2017	1	21,940	21,941
Exchange differences	-	87	87
Additional loans granted	-	1,261	1,261
At 31 December 2017	1	23,288	23,289
Exchange differences	-	(15)	(15)
At 31 December 2018	1	23,273	23,274
Amounts written off			
At 1 January 2017	-	2,512	2,512
Released	-	(5)	(5)
At 31 December 2017	-	2,507	2,507
Released	-	77	77
At 31 December 2018	-	2,584	2,584
Net book value			
At 31 December 2018	1	20,689	20,690
At 31 December 2017	1	20,781	20,782

The loans are classed as equity investments and repayment is neither planned nor likely in the foreseeable future. Provision has been made against amounts due from subsidiaries where there is a shortfall of net assets to satisfy the debtor.

Interests in Group undertakings

The Company has the following interest in subsidiaries:

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

The country of incorporation of each of the above companies is England, except for Robinson Packaging Polska Sp z o.o which is incorporated in Poland.

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

Notes to the financial statements continued

14 Inventories £'000	Group 2018	Group 2017
Raw materials	**1,806**	1,803
Work in progress	**13**	10
Finished goods and goods for resale	**1,153**	1,025
	2,972	2,838

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

In 2018, a total of £23,035,504 (2017: £20,675,214) cost of inventories was included in the income statement as an expense. This includes an amount of £95,000 resulting from the write-down of inventories (2017: £35,000) and a credit of £nil (2017: £98,000) resulting from the reversal of previous write-downs.

15 Trade and other receivables £'000	Group 2018	Group 2017	Company 2018	Company 2017
Trade receivables	**9,572**	9,011	**255**	260
Receivables from subsidiaries	**-**	-	**907**	2,364
Other receivables	**913**	721	**9**	41
Prepayments	**214**	173	**65**	82
	10,699	9,905	**1,236**	2,747
Including other receivables due in greater than one year	**-**	100	**-**	-

Receivables from one customer amounted to £985,000 at 31 December 2018 (2017: £978,000). The carrying value of trade or other receivables is considered a reasonable approximation of fair value. The average credit period taken is 81 days (2017: 79 days). The Group manages credit risk by credit checking new customers and defining credit limits. The Group reserves the right to charge interest on overdue amounts. The Group applies the IFRS9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, 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 12 months before 31 December 2018 or 1 January 2018 respectively 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. On that basis, the loss allowance for trade receivables as at 31 December 2018 and 1 January 2018 was £155k and £25k respectively.

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

£'000	Group 2018	Group 2017	Company 2018	Company 2017
Not more than 3 months	**1,329**	2,639	**-**	-
More than 3 months but not more than 6 months	**268**	101	**-**	-
	1,597	2,740	**-**	-

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

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

£'000	Group 2018	Group 2017	Company 2018	Company 2017
At 1 January	25	26	-	-
Impairment losses recognised	133	7	-	-
Amounts recovered during the year	(3)	(8)	-	-
At 31 December	**155**	**25**	**-**	**-**

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

Notes to the financial statements continued

16 Deferred taxation

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

£'000	Accelerated tax depreciation	Short term temporary differences	Fair value gains	Pension obligations	Total
Group					
At 1 January 2017	(69)	517	24	-	472
Charge to income	52	(131)	-	(11)	(90)
Charged through other comprehensive income	-	-	-	11	11
At 31 December 2017	(17)	386	24	-	393
Charge to income	24	(229)	-	-	(205)
Charged through other comprehensive income	-	-	-	-	-
At 31 December 2018	**7**	**157**	**24**	**-**	**188**
Company					
At 1 January 2017	(3)	(476)	12	-	(467)
Charge to income	-	(36)	-	(11)	(47)
Charged through other comprehensive income	-	-	-	11	11
At 31 December 2017	(3)	(512)	12	-	(503)
Charge to income	-	(20)	-	-	(20)
Charged through other comprehensive income	-	-	-	-	-
At 31 December 2018	**(3)**	**(532)**	**12**	**-**	**(523)**

£'000	**Group 2018**	Group 2017	**Company 2018**	Company 2017
Deferred tax liability	**1,056**	488	**-**	-
Deferred tax asset	**(868)**	(95)	**(523)**	(503)
	188	393	**(523)**	(503)

Deferred tax has been provided at 17%. Certain deferred tax liabilities have been offset. The above is the analysis of the deferred tax balances (after offset) for financial reporting purposes. The directors consider that the Group will generate sufficient taxable profits in future years with which to recover the deferred tax asset.

17 Trade and other payables

£'000	**Group 2018**	Group 2017	**Company 2018**	Company 2017
Amount due for settlement within 12 months				
Trade payables	**4,056**	3,549	**60**	90
Amounts due to subsidiaries	**-**	-	**5,924**	7,440
Social security and other taxes	**728**	771	**263**	116
Other creditors	**323**	581	**88**	345
Accruals and deferred income	**790**	667	**304**	568
	5,897	5,568	**6,639**	8,559

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 52 days (2017: 50 days).

Notes to the financial statements continued

18 Borrowings £'000	**Group 2018**	Group 2017	**Company 2018**	Company 2017
held at amortised cost				
Bank overdraft	**6,178**	6,441	**1,518**	2,021
Bank and other loans	**2,700**	221	**2,700**	-
Obligations under finance lease contracts	**1,325**	131	**-**	-
	10,203	6,793	**4,218**	2,021
Amount due for settlement within 12 months	**6,454**	6,706	**1,518**	2,021
Amount due for settlement after 12 months	**3,749**	87	**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 2018 was £1.3m. A loan of £2.7m from the pension escrow account was made during the year, 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 26 for more details). Obligations under finance lease contracts bear interest at rates that vary with the HSBC sterling base rate or one-month EURIBOR and are secured over certain items of plant and equipment.

19 Provisions for liabilities £'000	**Post-retirement benefits**
Group and Company	
At 1 January 2017	**185**
Movement in year	**(4)**
At 31 December 2017	**181**
Movement in year	**(7)**
At 31 December 2018	**174**

The Group provides medical insurance to certain retired employees and to an executive director on retirement. A provision has been made to meet this liability. The principal assumptions used in determining the required provisions are a discount rate of 4% per annum, medical cost inflation of 8% per annum, and individual life expectancy assumptions. Based on those assumptions the provision is expected to be utilised over 33 years.

20 Share capital £'000	**2018**	2017
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 (2017: 1,073,834)	**(5)**	(5)
Net Issued Share Capital: 16,613,389 shares (2017: 16,613,389)	**83**	83

The Company has one class of ordinary shares which carry 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.

21 Retained earnings

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

22 Risk management objectives and policies

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

Notes to the financial statements continued

Foreign currency sensitivity

Most of the Group's transactions are carried out in sterling. Exposures to currency rates arise from the Group's overseas sales and purchases, which, where they are not denominated in sterling, are primarily denominated in Euros. Total debts denominated in Euros amounted to €1,788,000 at 31 December 2018 (2017: €859,000). The following table details the Group's sensitivity to a 10 per cent increase and decrease in sterling against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the period end. A positive number below indicates an increase in profit and other equity where sterling weakens 10 per cent against the Euro.

Euro currency impact	£'000	**2018**	2017
Profit or loss for the year		**(114)**	15
Equity		**(114)**	15

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

Interest rate sensitivity

If interest rates had been 1 per cent higher, the Group's profit for the year ended 31 December 2018 would decrease by £72,000 (2017: £58,000) due to its exposure to interest rates on its variable rate borrowings. The impact of a 1% change on cash balances would be insignificant.

Credit risk analysis

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 December 2018 as detailed in note 15. 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. The bank overdraft is secured on the debts and certain properties of the Group. No other financial assets are secured by collateral or other credit enhancements. In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any counterparty or group of counterparties having similar characteristics.

Liquidity risk analysis

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

£'000	**Group 2018**	Group 2017	**Company 2018**	Company 2017
Current within 12 months				
Trade payables	**4,056**	3,549	**60**	90
Other financial liabilities	**1,113**	1,248	**6,316**	8,353
Borrowings	**6,454**	6,662	**1,518**	2,021
	11,623	11,459	**7,894**	10,464
Non-current later than 12 months				
Other financial liabilities	**-**	-	**7,651**	9,208
Borrowings	**3,749**	87	**2,700**	-
	3,749	87	**10,351**	9,208

The Group non-current liabilities includes the escrow loan £2.7m (see note 26) and obligations under finance lease contracts £1.0m.

The Company non-current liabilities arise from intercompany loans which are considered due in more than 5 years.

Notes to the financial statements continued

22 Risk management objectives and policies (continued)

Summary of financial assets and liabilities by category

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

£'000	Group 2018	Group 2017	Company 2018	Company 2017
Financial assets				
Trade and other receivables	**10,485**	9,732	**1,171**	2,665
Cash	**1,358**	283	**227**	148
	11,843	10,015	**1,398**	2,813
Financial liabilities measured at amortised cost				
Non-current:				
Borrowings	**(3,749)**	(87)	**(2,700)**	-
Amounts due to group undertakings	**-**	-	**(7,651)**	(9,208)
Current:				
Borrowings	**(6,454)**	(6,706)	**(1,518)**	(2,021)
Trade and other payables	**(5,169)**	(4,797)	**(6,376)**	(8,443)
	(15,372)	(11,590)	**(18,245)**	(19,672)
Net financial assets and liabilities	**(3,529)**	(1,575)	**(16,847)**	(16,859)
Non-financial assets and liabilities	**26,457**	24,631	**30,115**	30,711
Total equity	**22,928**	23,056	**13,268**	13,852

Capital management policies and procedures

The Group's capital management objectives are:

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

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

23 Capital commitments

£'000	Group 2018	Group 2017	Company 2018	Company 2017
Contracted but not provided in these financial statements	**328**	372	**-**	-

24 Contingent liabilities

There were contingent liabilities at 31 December 2018 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 2018 was £5,148,000 (2017: £4,671,000). The directors have considered the fair value of the cross guarantee and do not consider this to be significant.

25 Related parties

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

£'000	2018	2017
Charges by the Company to its subsidiaries:		
Rent	**448**	318
Management charges	**310**	462
Interest	**79**	34
Other charges (including costs incurred by the Company on behalf of its subsidiaries and subsequently recharged to them)	**5,567**	4,886
	6,404	5,700
Charges by the subsidiaries to the Company (mainly costs incurred by them on behalf of the Company and recharged to it)	**64**	108
Net balances due from subsidiaries outstanding at the year end	**13,681**	6,497

£6,118,000 of the charges in 2018 related to UK subsidiaries (2017: £5,392,000).

Notes to the financial statements continued

26 Pension asset Group and Company

The Group operates one principal pension scheme, the Robinson & Sons Limited Pension Fund, of which approximately 90% of UK employees are members. The scheme has a defined benefit section, which was closed to new members in 1997 and a defined contribution section introduced in 1998. In respect of the defined benefit section, contributions to the pension schemes are made and the pension cost is assessed in accordance with the advice of an independent qualified actuary. The actuary carried out a full actuarial valuation of the scheme as at 5 April 2017 which showed a surplus of 2% on an on-going basis. The fund was valued under IAS19 as at 31 December by Kenneth Donaldson FIA of Quattro Pensions and the estimated financial position was as follows:

£'000	2018	2017
Equities	**23,600**	26,634
Gilts and bonds	**26,618**	28,124
Real estate	**4,890**	6,350
Cash	**5,864**	4,905
Total market value of assets	**60,972**	66,013
Present value of scheme liabilities	**(54,512)**	(57,485)
Surplus in the scheme	**6,460**	8,528
Irrecoverable surplus	**(6,460)**	(8,528)
Pension asset	**-**	-

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

The following amounts were recognised in the income statement:

£'000	2018	2017
Charged to operating profit:		
Current service cost - final salary section	**93**	109
Expenses - final salary section	**100**	82
Current service cost - money purchase section	**166**	158
Total operating charge	**359**	349
Charged to:		
Cost of sales	**92**	89
Operating costs	**267**	260
Total operating charge	**359**	349
Amount credited to other finance income:		
Expected return on assets	**1,347**	1,635
Interest on scheme liabilities	**(1,347)**	(1,505)
Net return	**-**	130
The following amounts were not recognised in other comprehensive income:		
Movement in irrecoverable surplus before deduction of escrow account	**2,068**	(3,348)
Other actuarial gains/(losses)	**(1,862)**	3,565
Actuarial gain not recognised in other comprehensive income before deferred tax	**206**	**217**

Key assumptions used were:	**2018**	**2017**
Discount rate for liabilities	**2.7%**	2.4%
Price inflation	**3.3%**	3.2%
Salary inflation	**3.6%**	3.5%

The most significant of these assumptions is the discount rate. If this were reduced by 0.1% per annum, the liabilities would increase by approximately £700,000 (2017: £800,000). Inflation assumptions in both years are dependent on gilt yields. The mortality assumptions used are based on the S2 series tables with allowance for future improvements made by combining the 2017 improvement factors published by the Continuous Mortality Investigation with an assumed long-term annual rate of improvement in mortality at each age of 1%.

Notes to the financial statements continued

The average life expectancy of a pensioner at ages 45 and 65 is as follows:

	2018	2017
Life expectancy of 45 year old man at the age of 65 years	**22.9**	23.0
Life expectancy of 45 year old woman at the age of 65 years	**24.9**	25.0
Life expectancy of 65 year old man at the age of 65 years	**21.8**	21.9
Life expectancy of 65 year old woman at the age of 65 years	**23.7**	23.8

If the life expectancy assumption was increased by 1 year, the liabilities would increase by approximately £2.5m (2017: £2.6m). The average duration of the benefit obligation at the year-end is 14 years.

Following the actuarial valuation carried out in April 2002 it was clear that there was no need for the employer to pay contributions into the fund for existing scheme members. The Company has nonetheless agreed to pay employer contributions set aside in the Company's financial statements since the actuarial valuation in April 2002, together with money purchase contributions between 2005 and 2017, into an escrow account. The outcome of the next actuarial valuation in April 2020 will determine whether the contributions will be paid over to the Fund, returned to the Company or whether some other arrangements will be made. It is likely that the escrow account will be returned to the fund and therefore it has been disclosed as an asset of the pension scheme. £2.7m of the escrow account was loaned to the Company on commercial terms secured on surplus property valued at £3m held by the Group. The total set aside in the escrow account, including the £2.7m loan receivable, at 31 December 2018 amounted to £3.1m (2017: £3.1m).

Movements in the defined benefit obligation were as follows: £'000	**2018**	2017
At 1 January	**57,485**	58,879
Current service cost	**93**	109
Interest cost	**1,347**	1,489
Employee contributions	**11**	14
Remeasurement DBO - actuarial loss/(gain) from financial items	**(1,569)**	402
Remeasurement DBO - actuarial loss/(gain) from demographic items	**(51)**	(14)
Benefits paid	**(2,804)**	(3,394)
At 31 December	**54,512**	57,485

Movements in the fair value of plan assets during the year were as follows: £'000	**2018**	2017
At 1 January	**66,013**	64,059
Employee contributions	**11**	14
Interest income on plan assets	**1,550**	1,635
Remeasurement of plan assets - actuarial gain/(loss)	**(3,685)**	3,937
Employer contributions	**(13)**	(156)
Benefits paid from plan	**(2,804)**	(3,394)
Expenses paid	**(100)**	(82)
At 31 December	**60,972**	66,013

The actual return on scheme assets over the year was £2,135,000 (2017: £5,572,000). The cumulative amount of actuarial gains and losses recognised in other comprehensive income since the date of transition to IFRS is a loss of £10,306,000 (2017: £10,306,000).

The five-year history of experience adjustments is as follows:

£m	**2018**	2017	2016	2015	2014	2013
Fair value of scheme assets	**61.0**	66.0	64.1	56.1	58.4	56.1
Present value of defined benefit obligations	**(54.5)**	(57.5)	(58.9)	(50.9)	(53.7)	(48.6)
Irrecoverable surplus	**(6.5)**	(8.5)	(5.2)	(4.2)	(3.4)	(5.8)
Surplus in the scheme	**-**	-	-	1.0	1.3	1.7
Experience adjustments on scheme assets	**3.5**	3.9	8.6	(1.5)	2.6	-
Percentage of scheme assets	**6%**	6%	13%	-3%	4%	0%
Experience adjustments on scheme liabilities	**-**	-	-	(0.1)	-	-
Percentage of scheme liabilities	**0%**	0%	0%	0%	0%	0%

At 31 December 2018, £60,303 of money purchase contributions had not yet been transferred to the pension provider.

Notes to the financial statements continued

27 Accounting policies

Robinson plc is a company incorporated in the United Kingdom under the Companies Acts. The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. All standards and interpretations that have been issued and are effective at the year end have been applied in the financial statements. The financial statements have been prepared under the historical cost convention adjusted for the revaluation of certain properties.

Consolidation

The Group's financial statements consolidate the financial statements of Robinson plc and all its subsidiaries. Subsidiaries are consolidated from the date on which control transfers to the Group and are included until the date on which the Group ceases to control them. Transactions and year end balances between Group companies are eliminated on consolidation. All entities have coterminous year ends. The Group obtains and exercises control through voting rights. Investments in subsidiary undertakings are accounted for in accordance with IAS27 and IFRS 10.

Revenue

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 which 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.

Foreign currencies

Assets and liabilities of overseas subsidiaries are translated into sterling, the functional currency of the parent company, at the rate of exchange ruling at the year end. The results and cash flows of overseas subsidiaries are translated into sterling using the average rate of exchange for the year as this is considered to approximate to the actual rate. Exchange movements on the restatement of the net assets of overseas subsidiaries and the adjustment between the income statement translated at the average rate and the closing rate are taken directly to other reserves and reported in the other comprehensive income. All other exchange differences arising on monetary items are dealt with through the consolidated income statement. On disposal of a foreign subsidiary the accumulated exchange difference in relation to the operation are reclassified into the income statement.

Property, plant and equipment

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

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

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

Inventories

Inventories are valued at the lower of cost, including related overheads, and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and the overheads incurred in bringing items to their present location and condition. Inventories are valued on a first in, first out, basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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 to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less any required allowances for uncollectible amounts. Any change in their value through impairment or reversal of impairment is recognised in the income statement. Provision is made for expected credit losses based upon experience.

Notes to the financial statements continued

Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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 financial year which 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 obligations under finance lease contracts.

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

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

Notes to the financial statements continued

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.

Operating Leases

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 & buildings

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their deemed cost, being the fair value at the date of transition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any revaluation increase arising on the revaluation of such land and buildings prior to deemed cost being adopted was credited to the properties revaluation reserve, except to the extent that it reversed a revaluation decrease for the same asset previously recognised as an expense, in which case the increase was credited to the income statement to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings was charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued buildings is charged to income. On the subsequent sale or scrappage of a previously revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. Freehold land is not depreciated.

Surplus properties

The Group owns several properties, that were previously used in its trading businesses, which are now surplus to its current business needs. There is an active plan to sell these properties as and when market conditions allow. For the purposes of these financial statements these properties have 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 to that estimated on vesting. Further details are given in the Directors report.

Employee benefit trusts

The Company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion. Where monies held in a trust are determined by the Company based on employees' past services to the business and the Company can obtain no future economic benefit from these monies, such monies, whether in trust or accrued for by the Company are charged to the income statement in the period to which they relate.

Going concern

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

Notes to the financial statements continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. The key assumptions concerning the future and other key sources of estimation uncertainty at 31 December 2018 that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to pension, other post-employment benefits and the impairment of goodwill, property and intangible assets. The cost of defined benefit pension plans and other post-employment benefit is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, mortality rates and future pension increases. Due to the long-term nature of these plans such estimates are subject to significant uncertainty. The irrecoverable surplus is based on estimates of the recoverable surplus. These are based on expectations in line with the underlying assumptions in the valuation and current circumstances. Further details can be found in note 26. The Group tests goodwill, intangible assets and property annually for impairment, or more frequently if there are indications that an impairment may be required. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Further details on this process are set out in note 10. An assessment is made at each reporting date as to whether there is any indication that the carrying value may be impaired for intangible assets. This comprises an estimation of the fair value less cost to sell and the value in use. The key assumption used in arriving at a fair value less cost of sale is based on future expected earnings. Future earnings streams for each cash generating unit is then discounted over a finite period to calculate the fair value.

Amendments to IFRSs that are mandatorily effective for the current year

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

	EU effective date – periods beginning on or after
Amendment to IAS 40 *Investment Property:* Transfers of investment property	1 January 2018
Amendment to IFRS 2 *Share-based Payment:* Classification and measurement of share-based payment transactions	1 January 2018
Amendment to IFRS 4 *Insurance Contracts:* Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts*	1 January 2018
IFRS 9 *Financial Instruments*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Clarifications to IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Annual Improvements to IFRSs (2014 - 2016)	1 January 2018
IFRIC 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018

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

	EU effective date – periods beginning on or after
Amendments to IAS 28 *Investments in Associates and Joint Ventures:* Long-term interests in Associates and Joint Ventures	1 January 2019
Amendments to IFRS 9 *Financial Instruments:* Prepayment features with negative compensation	1 January 2019
IFRS 16 *Leases*	1 January 2019
IFRS 17 *Insurance Contracts*	Expected endorsement date not available
Annual Improvements to IFRSs (2015 - 2017)	1 January 2019
IFRIC 23 *Uncertainty over Income Tax Treatments*	1 January 2019

Comment on standards effective from 1 January 2018

a. IFRS 9 'Financial Instruments'

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from 1 January 2018 did not result in a change in accounting policy or any adjustments to the amounts recognised in the financial statements.

b. IFRS 15 'Revenue from Contracts with Customers'

The objective of IFRS 15 is to establish the principles that an entity should apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The group has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which did not result in any adjustments to the amounts recognised in the financial statements.

Comment on standards effective from 1 January 2019

c. IFRS 16 'Leases'

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

Independent Auditor's report to the members of Robinson plc

Opinion

We have audited the financial statements of Robinson Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed in the strategic report on page 9. The terms on which the United Kingdom may withdraw from the European Union, currently due to occur on 29 March 2019, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Group's and Company's trade, customers, suppliers and the wider economy. We considered the impact of Brexit on the Group and Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Group's and company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for the company and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

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

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

Key audit matters

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

Revenue recognition

The group's accounting policy in respect of revenue recognition is set out in the accounting policy notes on page 39. Revenue is a material balance for Robinson Plc and represents the largest balance in the consolidated statement of comprehensive income. An error in this balance could significantly affect a users' interpretation of the financial statements. There is a risk of fraud or error in the financial reporting relating to revenue recognition due to the potential to inappropriately record revenue in the wrong period. We therefore consider cut-off to be a key audit matter. Additionally, the introduction of IFRS 15 represents a risk of revenue being recognised in the wrong period.

Our response

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

- Obtained an understanding of the processes and controls over the recognition of revenue and undertook walkthrough tests to validate that controls were operating as designed.
- Detail testing of a sample of revenue transactions around the year end to ensure they were accounted for in the correct period

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

In addition to the above, IFRS 15 (the new revenue standard) was effective for the first time in the current year. This involves recognising revenue in line with the performance obligations established in the contractual relationship with the customer. Essentially this requires identifying the contractual obligations and then allocating the transaction price to these obligations and recognising revenue as they are met. As a part of our audit work, we reviewed management's assessment and assumptions used in recognising revenue under IFRS 15. Based on our work performed, no material misstatements were noted in revenue cut-off and we concur with management's assessment that there was no material impact to the financial statements from the adoption of IFRS 15 in 2018.

Our application of materiality

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	£574,000
How we determined it	The overall materiality level has been determined with reference to a benchmark of consolidated 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	£431,000

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £17,200 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified during the course of assessing the overall presentation of the financial statements. Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at component level. In the current period, the performance materiality allocated to the components and/or subsidiaries of the group ranged between £3,900 and £239,000. The parent company financial statement materiality has been set as 4% of Net Assets, namely £521,000. Performance materiality has been set at 75% of our financial statement materiality, namely £391,000. The reporting threshold has been set at 3% of our financial statement materiality, namely £16,000.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates. We gained an understanding of the legal and regulatory framework applicable to the group and parent company, the structure of the group and the parent company and the industry in which it operates. We considered the risk of acts by the parent company which were contrary to the applicable laws and regulations including fraud. We designed our audit procedures to respond to those identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. We tailored the scope of our group 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 parent company and group's accounting processes and controls and its environment and considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items. Our tests included, but were not limited to, obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities including fraud or error, review of minutes of directors' meetings in the year and enquiries of management. As a result of our procedures, we did not identify any Key Audit Matters relating to irregularities, including fraud. The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report. Our group audit scope included an audit of the group and parent financial statements of Robinson Plc. Based on our risk assessment, the following entities within the group were subject to full scope audit and was performed by the group audit team.

Robinson Plc	Robinson (Overseas) Limited
Robinson Plastic Packaging Limited	Walton Mill (Chesterfield) Limited
Robinson Plastic Packaging (Stanton Hill) Limited	Robinson Packaging Polska sp z.o.o (audit by Mazars Poland)
Robinson Paperbox Packaging Limited	

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

At the parent 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 21, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Louis Burns
(Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street, Birmingham B3 2RT
21 March 2019

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Robinson plc will be held at:

Chesterfield Football Club,
1866 Sheffield Road, Whittington Moor,
Chesterfield, S41 8NZ
on Thursday 9 May 2019 at 11:30 am
for the following purposes:

Resolutions

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

1 to receive and adopt the report of the directors and the audited financial statements for the year ended 31 December 2018

2 to declare a final dividend of 3p per ordinary share

3 to re-elect Martin McGee as a director of the Company

4 to re-elect Mike Cusick as a director of the Company

5 to re-elect Sara Halton as a director of the Company

6 to re-elect Anthony Glossop as a director of the Company

7 to re-appoint Mazars LLP as auditors of the Company and to authorise the directors to determine their remuneration

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

On behalf of the Board

Guy Robinson
Director
17 April 2019

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

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

Only those members in the register of members of the Company as at 11.30 am on 7 May 2019 or, if the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 11.30 am on 7 May 2019 or, if the meeting is adjourned, after 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Additional Information

Form of proxy

For use at the Annual General Meeting of Robinson plc convened for 9 May 2019 and any adjournments thereof.

I/We (please write name in block capitals - see note 1):

of (please write address):

being a member of Robinson plc, hereby appoint:

* The Chairman of the Meeting (see note 2)

* or my / our proxy: (please write name of proxy - see note 2)

* or failing him/her: (please write name of second proxy - see note 2)

as my/our proxy to attend and vote in my/our name(s) and on my/our behalf at the Annual General Meeting of the Company to be held on 9 May 2019 and at any adjournment thereof.

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

Resolutions:

	Resolution			
1	To adopt the Directors' Report and Financial Statements for the year ended 31 December 2018	* For	* Against	* Withheld
2	To declare a final dividend of 3p per ordinary share	* For	* Against	* Withheld
3	To re-elect Martin McGee as a director	* For	* Against	* Withheld
4	To re-elect Mike Cusick as a director	* For	* Against	* Withheld
5	To re-elect Sara Halton as a director	* For	* Against	* Withheld
6	To re-elect Anthony Glossop as a director	* For	* Against	* Withheld
7	To reappoint Mazars LLP as auditor of the Company and to authorise the directors to determine their remuneration	* For	* Against	* Withheld

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

Notes

1 The names of all registered holders should be stated in block capitals.

2 If it is desired to appoint a proxy other than the Chairman of the meeting, his/her name and address should be inserted, the reference to the Chairman deleted and the alteration initialled.

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

4 In the case of joint holders, the signature of any one holder is sufficient, but the names of all joint holders must be stated. The vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the other votes of joint holders. For this purpose, seniority will be in the order in which the names appear in the register of members for the joint holding.

5 Unless otherwise indicated, or upon any matter properly before the meeting but not referred to above, the proxy may vote or abstain from voting as he/she thinks fit.

6 To be valid, Forms of Proxy must be deposited at the Registered Office of the Company, Field House, Wheatbridge, Chesterfield S40 2AB, not less than 48 hours before the time appointed for the meeting.

Signature(s):

Dated:

DETACH HERE

Annual General Meeting attendance form

Annual General Meeting
Thursday 9 May 2019 at 11.30 am

The Board very much hopes that you will be able to attend this year's Annual General Meeting, which will again be held at:

Chesterfield Football Club,
1866 Sheffield Road,
Whittington Moor,
Chesterfield, S41 8NZ

To assist with catering and arrangements, it would be helpful if you would complete and return this attendance form. If you are appointing a proxy, then please ask your proxy to complete and return the form.

Thank you and we look forward to seeing you.

From (please write full name in block capitals):

	Me	My proxy
I shall be attending the AGM		
I shall be staying for the buffet lunch		

Please tick the appropriate boxes

Signature:

Date:

Please return this form to:

Guy Robinson
Robinson plc
Field House
Wheatbridge
Chesterfield
S40 2AB
UK

DETACH HERE

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Packaging Innovation

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