Platform for growth

Platform for growth | Robinson plc Annual report 2023

ROBINSON

Annual report 2023

Welcome to the Robinson Group Annual report 2023.

Market conditions remained difficult in 2023 with persistent high inflation and sharp increases in central bank interest rates across our countries of operation. The continuing cost-of-living crisis has impacted consumer buying habits and consequentially created volatility and uncertainty in customer demand.

In addition to the economic challenges, in October, we suffered severe flooding at our Chesterfield site and some damage was caused to facilities, materials and equipment.

Despite those headwinds, and thanks to the efforts of our people, we were able to improve profits, grow our sales pipeline, achieve surplus property sales and secure the return of the pension escrow account funds during the year. As a result, Robinson ended 2023 with a much stronger business.

We have continued to progress our sustainability goals which are integral to our strategy. Our pipeline of new projects will support a further increase in the ratio of recycled material content in 2024.

A new permanent Robinson CEO will be appointed in 2024, they will join an organisation with a strong sales pipeline, an effective manufacturing platform and a loyal and committed workforce. As market conditions begin to improve, we are well placed to generate sustainable long-term value for our shareholders.

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Our year in review

Sales decreased to £49.7m

(2022: £50.5m)

Gross margin increased to 19%

(2022: 17%)

Adjusted EBIT* increased to £2.2m

(2022: £2.0m)

£4.0m invested in net capital expenditure**

(2022: £2.5m)

Dividend paid in the year 5.5p

(2022: 5.5p)

Pension escrow account funds of £3.3m returned to the Company

Paperbox operations and Group head office impacted by flooding due to Storm Babet

Property proceeds of £0.7m received

Five year summary

	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
Revenue	35,085	37,203	45,954	50,529	**49,670**
Gross profit	7,492	8,566	7,750	8,764	**9,631**
% of revenue	21%	23%	17%	17%	**19%**
Operating costs	(4,971)	(5,878)	(6,525)	(6,731)	**(7,420)**
Operating profit before exceptional items and amortisation of intangible assets	2,521	2,688	1,225	2,033	**2,211**
Exceptional items	-	-	(43)	1,714	**(1,116)**
Amortisation of intangible assets	(810)	(809)	(957)	(947)	**(990)**
Operating profit	1,711	1,879	225	2,800	**105**
Net finance costs	(205)	(127)	(373)	(507)	**(765)**
(Loss)/profit before taxation	1,506	1,752	(148)	2,293	**(660)**
Taxation	(296)	(343)	176	51	**(160)**
Dividends	(890)	(890)	(898)	(898)	**(898)**
Retained (loss)/profit	320	519	(870)	1,446	**(1,718)**
Net assets excluding pension asset after deduction of related deferred tax	22,923	23,404	21,670	23,942	**25,554**
Depreciation	1,960	2,164	2,963	3,151	**3,280**
EBITDA (earnings before interest, tax, depreciation and amortisation)	4,481	4,852	4,145	6,898	**4,375**
Capital expenditure	1,726	4,956	3,991	2,584	**4,034**
Net debt	6,946	6,865	13,127	9,181	**6,301**
Operating profit % of revenue	5%	5%	0%	6%	**0%**
Return on capital employed %	7%	8%	4%	6%	**6%**
Basic (loss)/earnings per share	7.3p	8.5p	0.2p	14.0p	**(4.9p)**

* Operating profit before exceptional items and amortisation of intangible assets

** Net capital expenditure on plant and equipment, excluding operating leases capitalised under IFRS 16

Chairman's statement

Robinson ended 2023 with a much stronger business. We improved adjusted operating profits*, achieved surplus property sales, and secured the return of the pension escrow account funds to reduce gearing and strengthen our balance sheet.

We have largely renewed our manufacturing asset base, won important new business with leading FMCG customers and are now seeing sales volumes recover.

We have taken the necessary actions to make Robinson more resilient, more competitive, and more responsive. As market conditions begin to improve, we are well placed to generate sustainable long-term value for our shareholders.

Alan Raleigh | Chairman

Market conditions remained difficult in 2023 with persistent high inflation and sharp increases in central bank interest rates across our countries of operation. The continuing cost-of-living crisis has impacted consumer buying habits and consequentially created volatility and uncertainty in customer demand.

Performance in the first half of the year was impacted by lower sales volumes. Demand notably reduced across the premium products in our customers' portfolio because of inflation and the cost-of-living crisis. In addition to this general trend, a large UK customer experienced issues after making supply chain changes, which caused a substantial in-year reduction in sales with them.

Our strong customer relationships allowed us to increase sales prices to recover the majority of input cost increases and therefore protect gross margins, however, those increases were not sufficient to cover all the fixed operating cost increases.

In the second half of the year, plastics sales volumes recovered as large new projects came on stream. With a strong pipeline of further projects, we believe we have now passed the worst of the downturn.

To secure competitive operating costs, we implemented a restructuring program in June which, together with increased sales volumes, helped to increase underlying profits in the second half.

We suffered flooding at our Chesterfield site in October and despite the substantial efforts of our employees, some damage was caused to facilities, materials and equipment. The flood halted production in our Paperbox business and impacted premises that are let to tenants whilst the clean-up and reinstatement of production equipment were carried out.

We have made important progress on raising our level of recycled material content in recent years, but at 18% in 2023, we have not yet achieved our target of 30%. Our pipeline of new projects will support a further increase in this ratio and, excluding products for food, where there is restrictive legislation, we expect to achieve our goal in 2024.

We would like to thank our employees for their continued commitment and excellent contribution during the year, with a special mention for those in the Paperbox business that have expertly dealt with the aftermath of a serious flood event.

Financial and operating performance

Revenues were 2% lower than 2022. After adjusting for price changes and foreign exchange, sales volumes were 6% lower than 2022.

Gross margins of 19% (2022: 17%) were 2% above 2022, despite the operational gearing effect of 6% lower sales volumes and continued inflation in input costs.

Operating costs excluding exceptional items were 10% higher than in 2022. The restructuring program implemented in June resulted in exceptional costs of c.£0.4m and annual savings of c.£0.7m, of which £0.4m benefited 2023.

Operating profit before amortisation of intangible assets and exceptional items has increased to £2.2m (2022: £2.0m). After £0.7m restructuring and rationalisation costs and £0.1m of uninsured costs related to the flood in Chesterfield, loss before tax was £0.7m (2022: profit £2.3m). Income of £3.3m from the return of the escrow account funds has gone through the statement of comprehensive income.

Finance costs increased to £0.8m (2022: £0.5m) as a result of the sharp increases in market interest rates across our countries of operation, partially offset by the lower net debt during the year.

Cash generated by operations was £5.0m (2022: £7.6m). Working capital inflows normalised after a very strong year in 2022, which included improved payment terms with suppliers and customers.

Capital investment, financing, and pension

During the year, we invested a net £4.0m in property, plant and equipment, of which £2.3m was related to a previously communicated large new project in Denmark. Surplus property sales proceeds of £0.7m were received in May and £3.3m was received from the return of the pension escrow account in August. Consequently, net debt at 31 December 2023 was £6.3m (2022: £9.2m). With total credit facilities of £15m (2022: £19m), the necessary headroom is available for the Group to operate effectively.

The IAS 19 valuation of our pension plan at 31 December 2023 reported a surplus of £3.6m (2022: £7.0m). This surplus is not recoverable and so is not included in the Group's assets.

In December 2022, the Robinson & Sons' Limited Pension Fund (the "Scheme") completed a buy-in of all the Group's defined benefit pension scheme liabilities with a plan to complete a full buy-out within 12 months. A data cleanse exercise was completed, the administration and payroll functions were handed over to Legal and General Assurance Society Limited ("L&G") from 1 August 2023 and a final balancing payment of £0.1m, was made by L&G to the Scheme on 19 February 2024, completing the buy-in process. The surplus remaining in the Scheme, currently £3.6m, will be used to augment member benefits. We are pleased that this important buy-in transaction has de-risked the Group's defined benefit pension obligations and we expect the final buy-out to be completed shortly.

Non-cash exceptional costs of £0.3m were incurred in 2023, including the costs of enhancing the benefits of active members and the expenses of moving towards buy-out. These costs are payable by the Scheme but accounted for in the Company under IAS19.

During the year, the Company reached agreement with the trustees of the Scheme for the funds held in the pension escrow account, totalling c.£3.3m, to be returned to the Group of which, £2.7m was already loaned to the Company. These funds have been received and used to reduce net indebtedness.

CEO position

Dr Helene Roberts resigned as CEO and a Director of the Company on 1 September 2023, at which point Sara Halton assumed responsibility as the Interim CEO for a transitional period whilst the Board conducts a search for a new CEO.

We thank Helene again for her enormous contribution to the business.

The selection process for the new CEO is underway, and the Directors expect to make an announcement on the appointment of a permanent CEO in due course.

Property

We have continued to progress our surplus property disposal agenda during the year, with movement on two sites.

In May, the Group completed on the sale of part of the Walton Works surplus property, known as "Mill Lane". Consideration of £0.7m was received in cash and used to reduce bank debt.

In August, the Group exchanged contracts for the sale of a further c.1.3 acres of the Walton Works surplus property. Completion is subject to satisfactory planning approval and is currently expected to take up to 18 months. The consideration payable on completion would be £1.5m in cash, with estimated Group costs of £0.4m. The net proceeds of £1.1m would be used by the Group to reduce current bank debt or to invest in the listed Walton Mill buildings to enhance their saleability.

Based on professional independent valuations and including the property transaction which is not yet completed, the Directors estimate that the current market value of the remaining surplus properties held by the Group is approximately £7.4m.

Subject to the necessary planning approvals, we would expect further sales of surplus property in Chesterfield to be achieved in the next 12 months. The intention of the Group remains, over time, to realise value from the disposal of surplus properties and use the proceeds to reduce indebtedness and develop our packaging business.

Dividend

The Board proposes a final dividend of 3.0p per share to be paid on 21 June 2024 to shareholders on the register at the close of business on 7 June 2024. The ordinary shares become ex-dividend on 6 June 2024. This brings the total dividend declared for 2023 to 5.5p (2022: 5.5p).

Outlook

Following improved momentum in the second half of 2023, and reflecting the effect of new customer projects and the full year impact of cost savings, the Company expects revenue, and operating profit (before amortisation of intangible assets and any exceptional items), for the 2024 financial year to be ahead of 2023. We remain committed in the medium-term to delivering above-market profitable growth and our target of 6-8% adjusted operating margin**.

Alan Raleigh
Chairman
21 March 2024

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

Chief Executive's Report

After a number of years of macro-economic and market challenges, Robinson has a strong sales pipeline, an effective manufacturing platform and a loyal and committed workforce. I am confident that the business is well placed for growth in sales and profits in the future.

Overall, revenue decreased by 2% year on year, with underlying volumes falling by 6%. In the first half of the year, we saw a volume reduction of 13% against 2022, heavily weighted to our premium brand owner customers. By the second half, our success in new business development led to new projects and volumes were 1% higher than 2022 in that period.

Gross margins improved by 2% in the year as a result of: our successful sales price increase program, designed to ameliorate sharp rises in input costs; and significant reductions in resin prices through the year.

Operating costs excluding exceptional items in the first half were £7.4m (2022: £6.7m). The increase of £0.7m includes:

- £0.3m of new roles brought into the business to improve our operational capabilities and support our efforts to grow sales volumes, including the major new project in Denmark;
- £0.3m of inflation in wages and salaries in response to double digit market inflation and substantial mandatory minimum wage increases across our three countries of operation;
- £0.2m related to property and insurance as the costs of maintaining, repairing and rebuilding premises have escalated, and the insurance market has hardened since the previous renewal; and
- £0.2m due to the movement in foreign exchange rates.

Whilst most of these cost increases were anticipated, our efforts to increase sales prices to recover the inflation were insufficient to cover these operating cost increases. As a result, we implemented a restructuring program in June, which resulted in exceptional costs of c.£0.4m and annual savings of c.£0.7m, of which £0.4m benefited 2023.

In Poland, sales volumes increased by 3% over 2022, mainly due to new project wins with a fast-growing local producer of own label products in the personal care sector. Demand for air freshener devices and other discretionary products remained suppressed as the cost-of-living crisis continued through the year. Our recent investment in new technology for production of products with recycled material content was successful and the equipment is now at full capacity, additional expenditure in 2024 will support further growth in this area. Currency movements also increased Poland sales in the Group results by 5% (£0.9m) against the prior year.

Business unit performance

	2023					2022				
	UK £'000	Poland £'000	Denmark £'000	Head office £'000	Group £'000	UK £'000	Poland £'000	Denmark £'000	Head office £'000	Group £'000
Revenue	19,897	18,259	11,514	-	**49,670**	22,005	16,619	11,905	-	**50,529**
Operating profit before exceptional items and amortisation of intangibles	501	2,202	(70)	(422)	**2,211**	771	1,729	117	(584)	**2,033**
Operating profit margin before exceptional items and amortisation of intangibles	2.5%	12.1%	-0.6%	n/a	**4.5%**	3.5%	10.4%	1.0%	n/a	**4.0%**
Capital expenditure	364	1,338	2,332	–	**4,034**	1,135	643	795	11	**2,584**

In Denmark, sales volumes reduced by 7% including the transfer of some production to our plants in Poland to be closer to the end customer. During the year we have successfully delivered a major new project for the Group's largest customer which will deliver substantial sales growth in 2024 and entry to the premium personal care sector for the plant. The implementation of this project and the management transition and development in the early part of the year created more costs than expected, which has weighed on 2023 profits. As we refocus on the major customers and improve the operations, we expect improved profits to follow. Currency movements increased Denmark sales in the Group results by 2% (£0.2m) against the prior year.

In the UK Plastics business, sales volumes were reduced by 15%, of which 7% relates to reduced demand from a single customer. With volumes under pressure, the focus during the year has been on cost control, including the restructuring exercise carried out in June which will deliver substantial annual savings. New business wins will drive further investment in PET bottle production and provide confidence that 2024 will show improvement and provide a stable platform for future growth in our core sectors.

In the Paperbox business, sales volumes increased by 22% as our investment in new technology was beginning to attract potentially large new customers across our market sectors. The flood on 20 October 2023 had a devastating effect on the operations, impacting our ability to manufacture in the critical Christmas period for the luxury gifting market. Some finished goods, stored offsite, were saved from the worst effects and the management team were successful in outsourcing production to ensure that most customer orders were fulfilled on time. Operations were finally restarted at close to full output in February 2024 and the team continues to work on rebuilding the sales pipeline and customer confidence to grow the business and return to profitability in 2024.

Sustainability

Sustainability is central to our core values and delivery of the key priorities outlined in our strategy (see Page 10).

We launched our Sustainability pledge in February 2021 and through practical application, we have successfully achieved our initial goals of zero percent waste to landfill and 100% recyclable products across all of our operations.

We have not yet met our target of 30% recycled material content in plastics although the ratio improved slightly in 2023 to 18% (2022: 17%). Our growth in recycled content in recent years has been due to our partnerships with the major premium brand owner customers who have their own sustainability goals. As those customers volumes have reduced through the cost-of-living crisis, we have seen the opposite effect. Legislation in the UK and EU continues to restrict the use of mechanically recycled polypropylene material for food applications and this represents more than 40% of our plastic products. We're working on new sales projects in the UK and Denmark which will increase the ratio of recycled content substantially in 2024.

Reducing the carbon footprint of our operations by reducing energy consumption continues to be a key strand of our sustainable approach. We continue to decommission old equipment and consolidate production on more modern energy efficient technology and will invest in new machinery when appropriate. We have removed plant-wide gas central heating systems and replaced them with heat-recuperation systems from production equipment, or with localized electric heaters to reduce carbon emissions. We have introduced evaporative air-cooling systems rather than traditional air conditioning, to improve the working environment and equipment cooling whilst keeping energy usage as low as possible. Energy monitoring systems are being used to identify areas for further improvement.

Operating with excellence

We are extremely disappointed to report nine lost-time accidents across the Group, which all occurred across two sites. The Health and Safety of our team is of paramount importance and we have heightened our focus on behavioural safety and a Group-wide approach to ensure Robinson standards are clearly understood.

We noted last year that we were in the process of implementing a Group approach to product quality, which I'm pleased to say has proved successful. Our customer-focused method includes enhanced internal processes for identifying non-conformity, leading to improved quality and better service and delivery performance. Total quality complaints were reduced by 44% and significant complaints reduced by 88% in the year.

A new Group-wide manufacturing execution system was rolled out across all locations during the year. The system provides real-time production KPIs which we are now using to make data driven decisions for higher output and production efficiency.

Our focus ahead

The actions taken in 2023 result in Robinson entering 2024 with a more resilient and competitive business:

- Organisational changes have reduced hierarchy, increased individual accountability and created opportunities for greater sharing of knowledge and experience across the Group. This will allow us to remain agile and responsive as a supplier;
- Our close partnerships with major customers have led to the development of an enviable sales pipeline, which will lead to substantial growth opportunities in the next 2 years;
- The work to develop surplus property proceeds of £0.7m and the return of the Pension Escrow Account funds of £3.3m has reduced net debt and provided funds for future investment in the packaging business; and
- We believe that we have now passed the worst of the softness in sales which has negatively impacted the business since 2020. During 2024, as well as delivering new projects, we will continue to focus on improving our profitability across our operations as the effects of inflation subside and our premium brand owner customers respond to the new market situation.

A new permanent Robinson CEO will be appointed in 2024, they will join an organisation with a strong sales pipeline, an effective manufacturing platform and a loyal and committed workforce. I am confident that the business is well placed for growth in sales and profits under this new leadership.

Sara Halton
Interim CEO
21 March 2024

Robinson at a glance

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

Our business

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

End-to-end solution provider, from concept to manufacturing reality

1839

More than 180 years of industry expertise

346

Employing 346 people

Geographical reach into Northern & Eastern Europe and the UK

Markets we serve

Food & drink

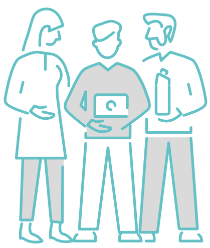
Homecare

Personal care & beauty

Luxury gifts

Our customers include McBride, Persan, Procter & Gamble, Reckitt Benckiser, SC Johnson & Unilever

How we work



Visit our website for more information

Our core values and behaviours

Honest

We are refreshingly real, straightforward, and trusted by our customers

Agile

We are nimble and work responsively to keep on track, quickly bringing concepts to manufacturing reality

Empowered

We are confident. Working with authority and competence to deliver our collective goals

Engaged

We want our people to thrive, supporting them to realise their full potential

Geographical reach

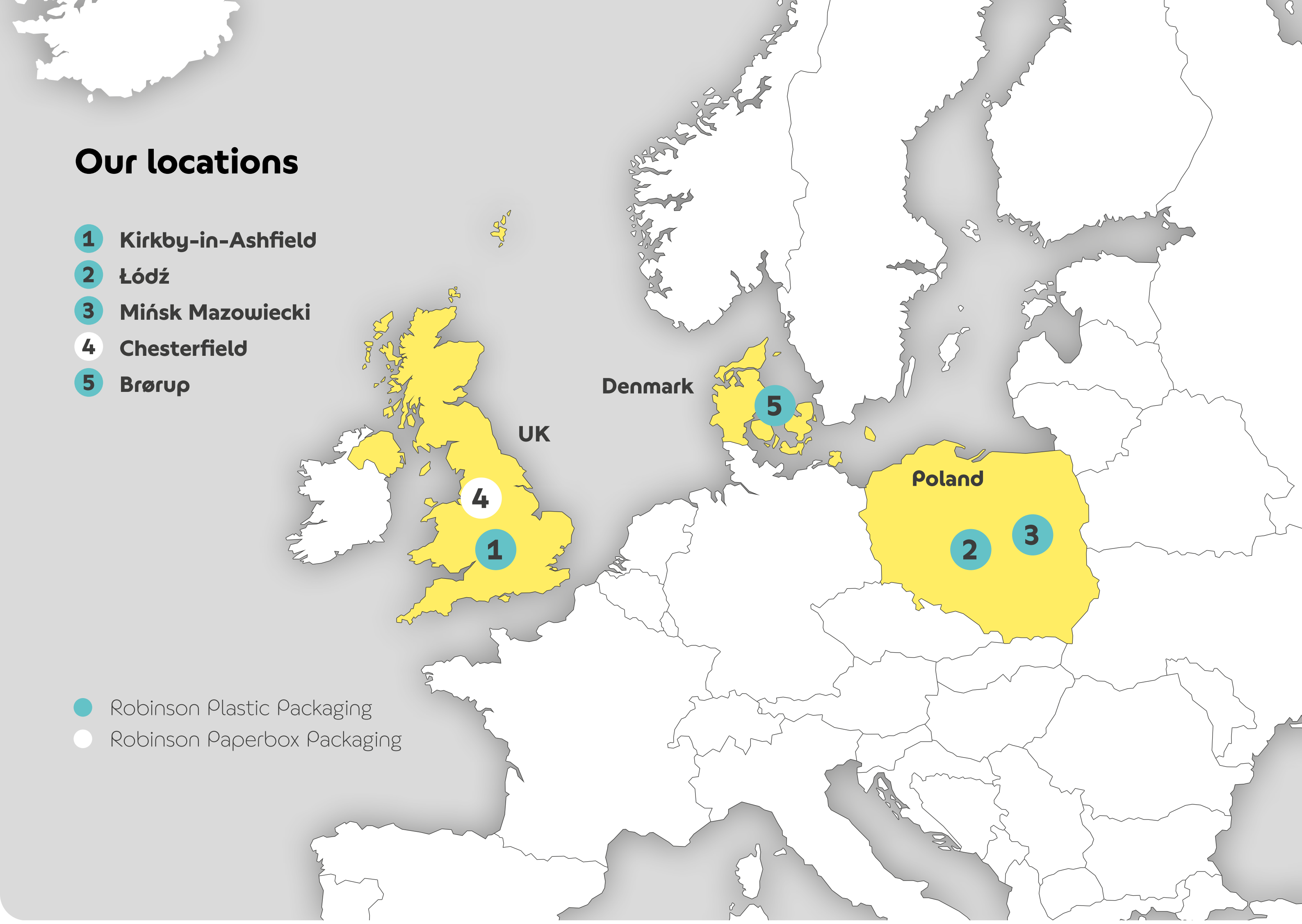
The location of our sites maximises our logistical reach to deliver cost-effective solutions

Sustainable focus

Bringing customers sustainable solutions that align with Robinson values

Our locations

1. Kirkby-in-Ashfield
2. Łódź
3. Mińsk Mazowiecki
4. Chesterfield
5. Brørup



- Robinson Plastic Packaging
- Robinson Paperbox Packaging

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

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

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

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

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

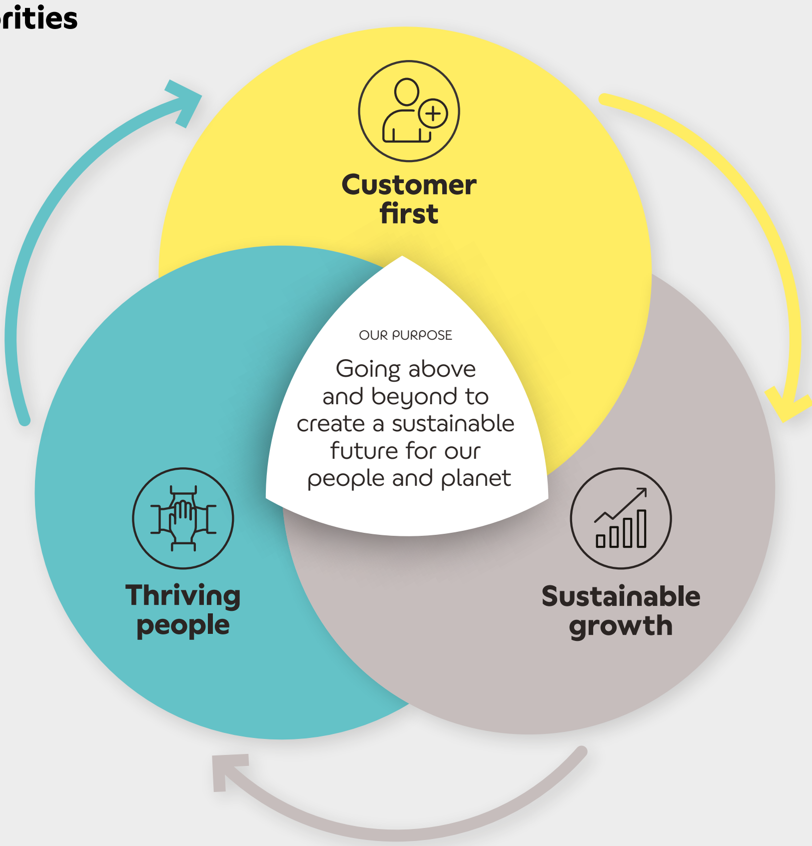
Operations
We use innovative processes at all of our manufacturing plants and offices to reduce our impact on the planet

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

Our business strategy

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

Our strategic priorities



Underpinned by operating responsibly and sustainably

Accountable and inclusive governance

We recognise the importance of our corporate social responsibility and effective governance to support the future for our shareholders and other stakeholders.

Our sustainability pledge

Long-term success for Robinson and our stakeholders relies on us being part of self-sustaining local economies, delivering social, environmental and economic value.

Read more on pages 12-15.

Our strategic priorities

Customer first

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

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

Our sustainability pledge

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

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

Sustainable growth

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

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

Our sustainability pledge

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

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

Thriving people

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

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

Our sustainability pledge

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

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

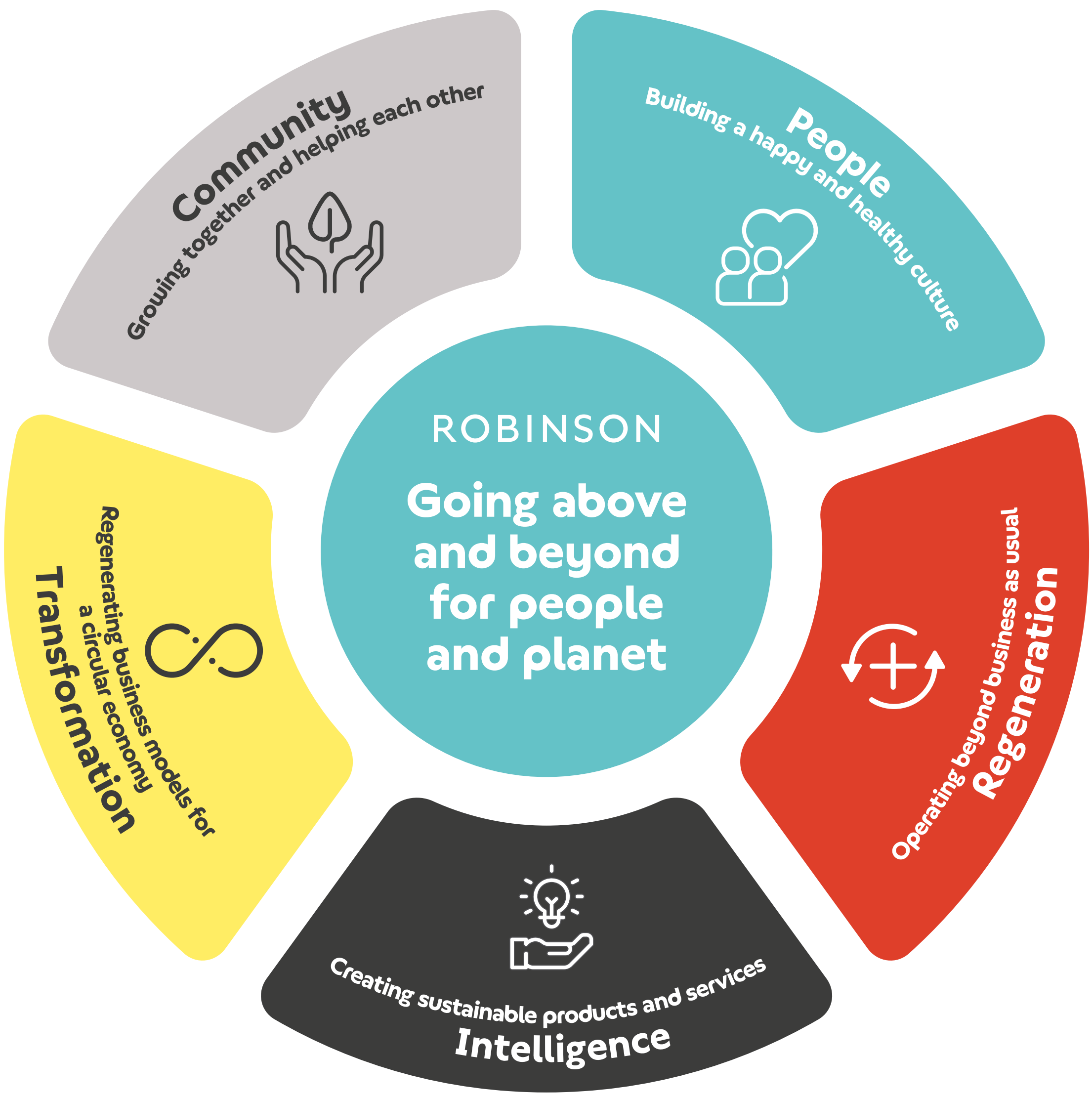
Guiding our sustainability journey

Our sustainability pledge helps bring our purpose to life – going above and beyond to create a sustainable future for our people and our planet.

This underpins our business strategy and is focused on **five pillars** and **15 ambitious commitments** which are woven into the fabric of our business.

We continue to drive towards a circular economy system with resilience, delivering social and environmental value for all as we transition into the green industrial revolution.

Find out more about our pledge at robinsonpackaging.com/sustainability



Transformation

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

To develop a circular economy for our products, we will focus on using materials in our packaging that are recyclable, and produced using the maximum amount of recycled material, without adversely affecting the functionality of the packaging. We are developing the end market for recycled content with a mission to be part of self-sustaining local circular economies, delivering social, environmental, and economic value. Our goal is to re-use resources such as plastics and energy for as long as possible, with minimal waste.

We were a founding member of a consortium in Denmark that has delivered plastic packaging made from 100% Danish household-sorted plastic waste; a local loop where plastic waste is being used as raw material for new packaging rather than going to incineration. As a result of this work and new business projects, approximately 50% of our HDPE packaging in Denmark is made from post-consumer recycled plastic.

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Intelligence

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

10% virgin plastic reduction by the end of 2025

Since our base year of 2020 the overall volume of plastic processed by the Group has reduced by 20% and the amount of virgin material used has reduced by 29%, well ahead of the 2025 target date. This has been achieved by actions including "light-weighting" products and switching from virgin to recycled plastic. Key projects with Unilever in Denmark include bottles made from 100% recycled plastic which contributes substantially to the goal. We are also pleased that the large own label fillers which we serve in Poland are now taking bottles made from recycled plastic and we've increased usage there by more than 200 tonnes in the year.

Maximum recycled content by the end of 2022: Minimum 30% in plastic / Maintain 100% in paperboard

Whilst we have made substantial progress, we are disappointed to have not yet achieved our ambition of 30% recycled content in our plastic products.

We reduced our range of processed plastics to those where recycled sources are widely available, these are Polyethene Terephthalate (PET), High Density Polyethylene (HDPE) and Polypropylene (PP). We have developed local sources of recycled HDPE in Denmark and Poland and PET in the UK and Poland. We can now manufacture packaging in HDPE and PET including up to 100% post-consumer waste.

In PP, approximately 40% of our plastic products are used for food applications. Legislation in the UK and EU restricts the use of mechanically recycled PP material in that sector. Due to excess demand, the market price of recycled material has historically been significantly higher than virgin and many of our customers have been hesitant to incur additional cost in the current economic situation. Prices have reduced recently, which we hope will help to stimulate further demand.

Despite the challenges we increased our overall % of post-consumer recycled material to 18% (2022: 17%). Over half of our material in Denmark comes from post-consumer waste or renewable sources rather than virgin material. We remain committed to 30% recycled content in our packaging and are identifying alternative competitive sources of material to support our customers. If we exclude sales of PP to the food sector, then we achieved 24% recycled content in 2023 (2022: 22%).

All products fully recyclable by the end of 2022

All plastic and paperboard products that we place on the market are now widely recyclable. This was achieved through significant work in the UK and Poland to simplify the polymers we use, remove non-recyclable materials and ensuring that all our products can be detected in recycling plants, whilst maintaining our approach in Denmark and the UK rigid box operations.

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
14 LIFE BELOW WATER
15 LIFE ON LAND

Regeneration

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

Zero waste to landfill by the end of 2021

We achieved our target of zero percent of our operational waste going to landfill by the first quarter of 2022 and maintained it throughout 2023. All Robinson sites are signatories to Operation Clean Sweep; an international initiative to reduce plastic pellet loss from manufacturing operations.

Net carbon positive by the end of 2030

We are committed to the decarbonisation of our operations and as we develop our roadmap, we are prioritising implementation of 6 high priority areas such as installation of new energy-efficient machines and production cells within our sites, aligning our investments for sustainable growth. We are focusing on measuring and reducing carbon emissions from our operations (see SECR report on page 26 for further details), and in parallel, we are investigating lower carbon sources of energy.

Improving building sustainability

We recognise that our buildings were not built to modern sustainable standards, but we are developing a formalised sustainable building protocol for all sites and will implement improvement actions where possible and appropriate. Energy and carbon reduction measures for our buildings are integrated into our carbon management and equipment replacement programmes. Further work is needed to identify opportunities related to water consumption and improving the workplace environment to support employee welfare and wellbeing. The development of a refurbished unit at Kirkby-in-Ashfield, in the UK, has provided opportunities for introducing a more carbon efficient approach, for example we have recently installed an evaporative air-cooling system which uses less energy than traditional air conditioning systems to improve the working environment. For the winter months, we now use technology to transfer latent heat produced from our operations to heat other areas of our facilities and reduce the amount of additional energy consumed through central-heating systems, across all our factories.

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

People

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

People development plan fully implemented by the end of 2023

This is a structured approach to support and develop our employees and teams, creating a great culture for our workforce. The plan focuses on several key areas including:

- **Employee engagement** – on the back of an organisational survey, we have introduced a number of channels whereby employees are consulted on change and have the opportunity to input their views and actively be involved. We have rolled out short, actionable internal surveys with our people in 2023.
- **Enhanced employee communication** – through the company intranet, on screens in communal production areas and face to face briefings, we continue to improve our employee communications across a number of channels.
- **Diversity plan** – to ensure we bring in experience from a variety of perspectives, skills, and backgrounds.
- **Investing in people** – development and training while creating career pathways to enable continued professional development and upskilling of our teams.
- **Rewards and recognition and the enhancement of employee benefits** – which includes virtual access to a GP, life insurance and free counselling to support the health and well-being of our people.

Champion employee health and wellbeing

We have implemented a social club across our UK operations which organises day trips, parties and gifts for employee members and their children. We also organise an annual Christmas Party for our employees and organise family days on site in Poland.

Zero accidents every year

We are extremely disappointed to report nine lost-time accidents across the Group, which all occurred across two sites. The Health and Safety of our team is of paramount importance and we have heightened our focus on behavioural safety and a Group-wide approach to ensure Robinson standards are clearly understood.

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Community

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

Offer career-enhancing work experience and opportunities

We believe in investing in our future workforce and continue to offer internships, apprenticeships and take part in local career fairs in partnership with colleges and universities in the three countries where we operate. We are proud supporters of the Armed Forces Covenant in the UK, an employer recognition scheme designed to support veterans in gaining employment for the next stage in their career.

Engage schools on the benefits of packaging and recycling

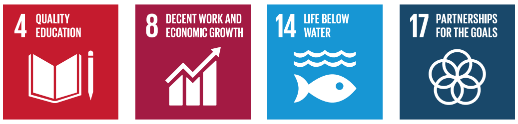
We hope to educate children on the benefits of sustainable packaging and the recycling imperative. During 2023 a group of 20 university students visited our UK sites, to understand our strategy and approach to sustainable packaging. In Poland, students and employees of local high schools were invited to attend a lecture on packaging safety on our sites. We plan to support and facilitate further educational opportunities in the future.

Giving back to communities every year

We continue to set up local community projects led by our production sites. Robinson supports causes through fund raising and sponsorship, and contributes specialist knowledge and skills to those in need. Some examples include:

- We are working with a local charity to save an important heritage building in Chesterfield and to create a new centre for youth education and skills. Robinson will contribute a long-term lease or an asset transfer of the freehold and provide services and access to the site, whilst the charity seeks funding for redevelopment and community projects.
- Our UK team supported the Leon's Legacy charity, providing a donation in return for defibrillator awareness and training for all employees. We continued to support the Sheffield Children's Hospital Trust, through their Snowflake campaign, producing gift boxes and providing specialist knowledge to the charitable trust. Our UK Welfare Officer supports past and present Robinson employees and pensioners, via telephone and home visits to vulnerable people.
- In Poland we partner with the local volunteer fire brigades, our employees receive regular fire safety training and our donations are allocated to fire service equipment. We installed defibrillators at our sites and provided training to employees to support the local community in a life-threatening situation. Finally, we along with our employees supported Noble Gift, a national social program in Poland designed to help poor families in need.
- Our team in Denmark supports the local orphanage through donations and fundraising events as well as being the main sponsor of a local annual running event, supporting health and wellbeing in the area. The team also employs local people who have fallen out of employment due to physical or mental constraints, supporting and mentoring them in their careers.

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS



How we create value

External drivers

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

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

Uncertain economic outlook
Long-term impacts of Brexit and the ongoing cost-of-living crisis.

Regulation and legislation
UK and European plastics legislation implemented from 2022.

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

Digitalisation and automation
Rapidly advancing manufacturing techniques and technology.

What we depend on

Relationships

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

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

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

Customers
Integrated and mutually beneficial relationships with key customers.

Resources

Natural resources
Renewable and non-renewable materials.

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

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

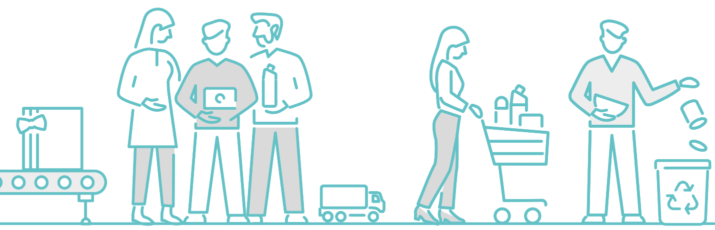
Our business model

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

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

Our people and expertise

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



3 Customers

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

4 Consumers

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

5 Post-consumer recycled content

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

The value we create now

Customers

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

People

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

Communities

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

Environment

Reduction in food and product waste and climate mitigation.

Investors and shareholders

Profitable, sustainable growth, generating long-term shareholder value.

Consumers

Protective packaging for hygiene, safety, and convenience.

Our long-term impact

Creating inclusive and equitable employment

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

Protecting our planet

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

Reducing plastic pollution

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

Partnership and collaboration

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

Risks and opportunities

Our approach to risk management

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

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

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

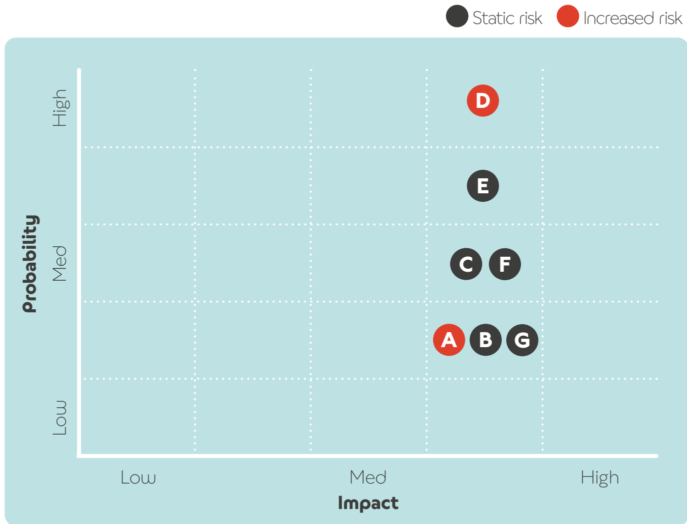
The Senior Executive Team records each risk, describing **mitigation** measures and any proposed **future actions**.

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

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

Our principal risks

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



A Investment
B Customers
C Raw material supply and input prices
D IT and digital security
E Environment
F People
G Supply continuity

Customer first | Sustainable growth | Thriving people

Pages 10 and 11: Our business strategy

Principal risk and impact	Mitigation	Key developments and opportunities
Strategic		
A Investment		
Strategic choices for major investment projects create potential risks in business stability and continuity, culture, technology and change management. Failure to perform to expectations in these major projects could reduce business earnings and value.	High quality project proposals and project management procedures. Target return on investment hurdles in place and regularly monitored. Post implementation reviews of major projects provide opportunity for learning and improvement.	Recently, the business has won more, larger projects with major customers, and it is anticipated that this trend will continue. It will be important to continuously improve all aspects of the execution of major investment projects.
B Customers		
The Group has a small number of key customers. The loss of a customer or worsening of terms could adversely affect results. We have limited power to drive price increases and to shape end-consumer demand. This can result in reduced revenues, volumes and profitability.	Ensure the length of contracts is appropriate to specific capital investment. Build a broad customer base. Maintaining strong customer relationships including multi-level key contact points.	Success with price increases outside of normal contracts in last three years to recover input cost inflation. New business won with existing and new customers in the period provides confidence that relationships remain strong.

Principal risk and impact	Mitigation	Key developments and opportunities
Business continuity		
C Raw material supply and input prices		
Failure to receive timely, high-quality raw materials could impact our ability to meet customer demand. Market prices of electricity, plastic resin and other raw materials can fluctuate significantly, leading to higher costs and lower profitability.	Secondary supply sources in place for some key materials. Where possible, contracts are structured to allow input cost recovery. Group Procurement Manager appointed, responsibilities include material and energy purchasing. Leverage of material supply from certain key blue chip customers.	Secondary suppliers implemented where possible, but lack of scale and inability to quickly change specifications restricts use. After severe challenges in 2021, resin availability and price have improved due to lower market demand. Energy prices have receded from their peak at the beginning of the Ukraine conflict but have not returned to historic levels.
D IT and digital security		
A breach of IT systems could result in the inability to operate systems effectively or the release of sensitive information.	Physical security of servers, anti-malware, internet monitoring, safe-use policies and regular employee training. Regular security review at Board level.	Independent cyber maturity assessment performed in 2021, improvements made through 2022 and 2023. Working towards new assessment in the second half of 2024.
Environment, social & governance		
E Environment		
Business impacts related to plastics and waste pollution, food waste, energy and carbon emissions resulting in climate change. New plastics legislation may increase costs and fees and could impact customer demand for plastic packaging.	Select sustainable materials. Ensure sustainable operations and production. Active membership of trade bodies lobbying for the benefit of plastics and inputting to new or revised legislation. Designing products for recyclability. Close contact with customers on their own sustainability goals.	Reduced material content through innovation, design and technology. Now phased out non-recyclable products. Implemented local source of recycled material in Denmark and Poland creating circular plastics economies. Price differential between virgin and recycled material has reduced significantly during the year, encouraging wider adoption.
Operational		
F People		
Our success depends on the efforts and abilities of our people. High demand for skilled people in an economic climate of low unemployment may restrict our growth.	Frequent salary benchmarking and adjustment. Fair employment practices. Increased number of permanent rather than temporary employees. Improving gender pay gap. Appropriate length of notice period in contract for senior roles.	Supporting employees through cost-of-living crisis with salary interventions where appropriate. Responded well to departure of two senior leaders during the year. New systems to be implemented to reduce overall reliance on individual people in specific roles. Introduced "Family and Friends" recruitment scheme.
G Supply continuity		
Failure to supply customer orders due to fire, flood, loss of power or contaminated materials for example may result in additional costs and ultimately loss of reputation and customers.	Multi-site operations provide some supply continuity. Insurance policies in place at appropriate levels for insurable risks. Crisis management plan in place and reviewed regularly for changes.	Serious flood in Chesterfield during the year. Successfully sub-contracted majority of customer orders through this period. Crisis management training and drills to be scheduled for other sites in 2024.

Engaging with stakeholders

	Investors and banks	Employees
Who and why?	Access to capital is vital to our long-term success. We must get buy-in to our strategic priorities from investors. We seek an investor base that is interested in long-term shareholding.	We engage with employees to help build a healthy culture, empowering and enabling them to achieve their potential. In return, we expect low absenteeism and turnover rates, allowing us to maintain high efficiency and productivity.
How we engaged	• AGM. • Investor presentations and one-to-one meetings. • Feedback through the broker and nominated advisor. • Reports and results announcements. • Regular meetings with banks and funding providers.	• Quarterly briefings with senior site management and employee consultative committees. • Strategy communication sessions with all employees. • Annual long-service dinner with the CEO. • Employee intranet. • Comprehensive induction and onboarding process. • Suggestion boxes.
Outcomes and actions	• Refinanced a £4.5m commercial mortgage for three years to 2026 with HSBC Bank UK. • New lease funding in place for new project in Denmark with Sydbank A/S.	• Management training programmes completed. • First aid and defibrillator training completed for all employees. • Health weeks and physiotherapy consultations to raise awareness of personal health issues. • Conducted employee engagement survey and implemented follow up actions. • Signed UK Armed Forces covenant pledge. • Social club implemented. • Increased internal training capability to roll out new operator and fork lift truck education.

Section 172 Statement

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

Suppliers

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

- Regular meetings with suppliers to build partnerships and trust.
- Supplier site audits.
- Request for quotes and contract negotiations.
- Conducted trials of alternative materials to mitigate supply risk.
- Exploring recycled material opportunities on both local and global markets.

- Established a group procurement function to enhance volume consolidation and buying strategy across the Group.
- Aggregated volumes to deal directly with material producers rather than brokers.
- New local source of post-consumer recycled raw material implemented in Poland to reduce reliance on imports.
- Managed cost inflation by seeking alternative levels of service or sources of supply where possible.
- Extended payment terms with some key suppliers to reduce working capital.
- Maintained high quality standards of incoming materials, e.g. approved for ISO9001:2015 or BRC global standard for packaging materials.

Customers

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

- Regular operational and strategic review meetings with multidisciplinary teams from our key customers.
- Targeted social media campaigns.
- Customer conferences and seminars.
- Packaging exhibitions and trade shows.
- Site audits and visits.

- Significant new business wins which started to come through in 2023, with substantially more volume expected in 2024.
- Commercial agreements that reflect changing economic circumstances and business models.
- Investment in appropriate technology to support our customers and exploit new opportunities.
- Alignment of our sustainability goals to meet changing customer and market demands.

Expert organisations

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

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

- Indirect lobbying through the British Plastics Federation and Packaging Federation and consulting governments on forthcoming requirements, including the Extended Producer Responsibility reform.
- Signatory to Operation Clean Sweep to reduce plastic pellet loss to the environment across all sites.
- Participation in NEXTLOOPP project to develop and trial food-grade recycled polypropylene and establish a secure supply chain.

Principal Board decisions

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

	Principal decision		
	Restructuring of senior team As a result of the inflationary pressures experienced over the previous two years, the Group implemented a restructuring program in June 2023, which, amongst other changes, resulted in part of the senior management team leaving the business.	**Return of pension escrow account funds** As a result of the buy-in of all the Group's defined benefit pension scheme liabilities, the company was able to successfully negotiate with the Pension Fund trustees the return of the funds in the pension escrow account. This significantly reduced financial indebtedness in the year.	**UK PET capacity investment** The Group will invest in new equipment to support a business growth opportunity in bespoke PET bottles in the UK in 2024. This project, which replicates an approach we applied in Poland previously, will provide revenue growth in 2024 and 2025.
Customers	Lower fixed costs allow us to remain competitive in our pricing to customers.	Reduction of debt and financial risk for the Group will allow greater focus on supporting customers.	Project extends Robinson capability in bespoke PET bottles in the UK, improving our offer to existing and new customers.
Employees	Employees will benefit from a more efficient and sustainable business.	Employees will benefit from a business with less financial indebtedness and risk.	Increased scale provides enhanced opportunities across the Group.
Investors	Exceptional costs of c.£0.4m were incurred to achieve annual savings of c.£0.7m, of which £0.4m benefitted 2023.	Net debt reduction of £3.3m during the year lowers interest cost and financial risk for the Group.	Increased profits from new business will benefit investors in the long term.
Environment			Possibility to produce PET bottles from 100% post-consumer recycled material on new highly energy efficient equipment, both key parts of the sustainability strategy.


eKW28Pi-1300
FULL ELECTRIC
BMB
ROBINSON
ROBINSON

Performance overview

Key performance indicators

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

Customer first Sustainable growth Thriving people Pages 10 and 11: Our business strategy

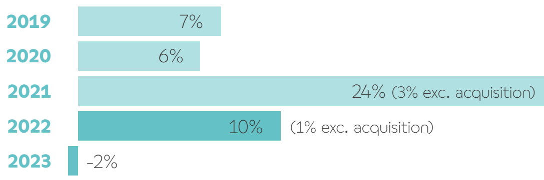
Financial KPIs

Revenue growth

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

Performance in 2023
Revenues decline of 2% in the year due to lower demand across the premium products in our portfolio because of inflation and the cost-of-living crisis. After adjusting for price changes and foreign exchange, sales volumes in the underlying business are 6% lower than 2022.

Goal
Above-market profitable growth.



Gross profit margin

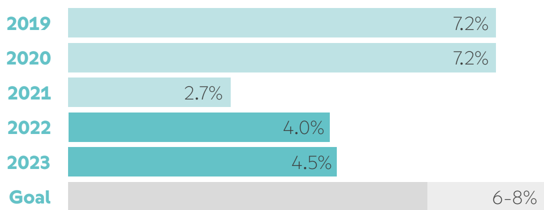
Demonstrates the Group's profitability from its manufacturing operations.

Performance in 2023
Gross margins were 2% above 2022 despite the operational gearing effect of 6% lower sales volumes and continued inflation in input costs. We were successful in recovering cost increases through increased selling prices across the Group, which along with a reduction in polymer resin prices, mitigated the impact of increased input costs on gross margins.

Adjusted operating margin*

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

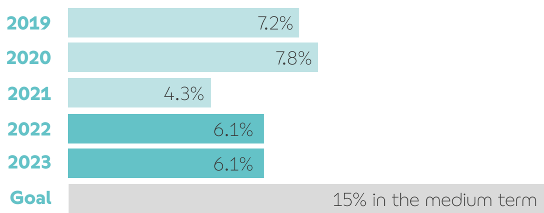
Performance in 2023
Overall adjusted operating margins increased to 4.5% despite the lower sales volumes. The impact of a 2% higher gross margin was offset by increases in operating costs due to inflation. We are expecting a substantial volume increase in 2024 which will support progress towards our medium-term goal of 6-8% adjusted operating margin.



Post-tax return on capital employed**

Pre-exceptional financial return from all of the capital invested in the business. A return higher than the Group's weighted average cost of capital (5.2%) is satisfactory.

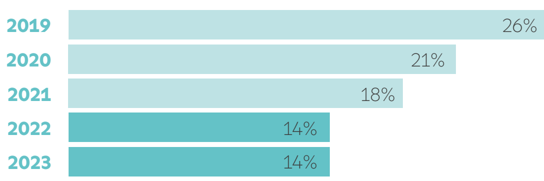
Performance in 2023
The return on capital employed improved due to the higher profits and was slightly in excess of the cost of capital.



Working capital as a % of sales***

Revenue required to fund the working capital cycle.

Performance in 2023
Overall, the working capital was in line with the previous year. Higher trade receivables due to increased activity in the final quarter of the year were offset by lower inventory and higher trade payables.



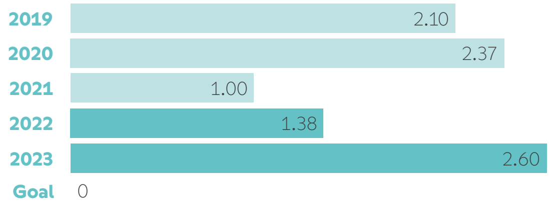
Non-financial KPIs

Lost time accidents per 100 employees

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

Performance in 2023
There were nine lost time accidents in the year, compared with five in 2022. The Health & Safety of our people is of paramount importance, and we are very disappointed with this performance. The incidents in 2022 and 2023 were concentrated in two locations and we have renewed our focus on behavioural safety, broadened the scope of some roles to cover the whole Group and enhanced a Group-wide safety forum which meets monthly to share best practice.

Goal
The Group continues to target zero lost time accidents.



% average of post-consumer recycled content in packaging

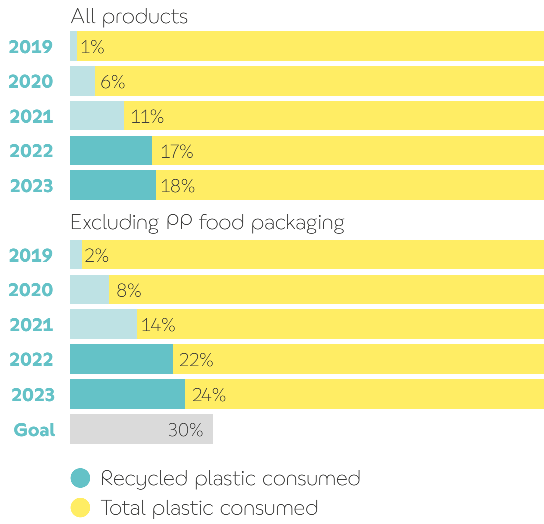
Level of recycled material in our packaging products.

Performance in 2023
Overall usage of post-consumer recycled (PCR) material increased during the year despite a reduction in overall sales volumes to our premium brand owner customers, whose products are typically made from PCR material.

Mechanically recycled polypropylene (rPP) does not meet food-grade requirements and commercial volumes of chemically recycled food-grade rPP are currently limited. We are members of the NEXTLOOPP project to develop a supply chain of food-grade rPP from mechanical recycling.

New business wins which include 50% and 100% PCR and either commenced production in late 2023 or early 2024 will have a substantial impact in future periods.

Goal
100% recycled content in Paperboard packaging and a minimum of 30% recycled content in Plastic packaging.



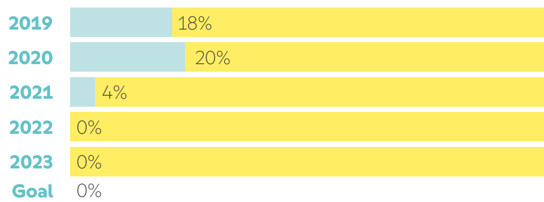
This shows our performance in plastic packaging. In paperboard, we have reached 100% recycled content. Our paper is made from sustainable sources and we are FSC certified.

Waste to landfill as a % of total waste

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

Performance in 2023
We have implemented systems and processes to maximise our raw material efficiency, reuse our post-industrial waste and identify increased end markets to eliminate our waste to landfill. All our sites are signed up to the Operation Clean Sweep initiative to prevent plastic pellets from our operations entering the environment. We have achieved our goal of 0% of waste to landfill and we will seek to maintain that in the future.

Goal
Zero waste to landfill.



* Operating profit (£105k) plus exceptional items (£1,116k) and amortisation of intangible assets (£990k), divided by revenue (£49,670k)

** Operating profit (£105k) before exceptional items (£1,116k) and amortisation of intangible assets (£990k) less taxation (£160k) divided by the average, current year (£34,346k) and prior year (£33,123k), capital employed (net assets less net debt).

*** Inventory (£4,747k) plus trade receivables (£10,102k) minus trade payables (£7,681k) divided by revenue (£49,670k).

Streamlined Energy and Carbon Reporting (SECR)

The SECR regulations require UK companies to report on their energy use and carbon emissions. The Group has voluntarily chosen to disclose its global emissions under the categories required by the regulations.

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

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

	Group 2023		UK 2023		Poland 2023		Denmark 2023	
	kWh 000's	tCO_2e	kWh 000's	tCO_2e	kWh 000's	tCO_2e	kWh 000's	tCO_2e
Electricity	23,353	9,447	8,235	1,705	10,119	6,932	4,999	810
Gas	1,184	217	1,112	204	72	13	–	–
Transport	421	97	67	16	242	54	112	27
TOTAL	**24,958**	**9,761**	**9,414**	**1,925**	**10,433**	**6,999**	**5,111**	**837**
Intensity ratio (tonnes CO_2e per tonne of plastic polymer)		0.82		0.49		1.39		0.28
Intensity ratio (tonnes CO_2e per £'000 revenue)		0.19		0.09		0.42		0.07

	Group 2022		UK 2022		Poland 2022		Denmark 2022	
	kWh 000's	tCO_2e	kWh 000's	tCO_2e	kWh 000's	tCO_2e	kWh 000's	tCO_2e
Electricity	24,295	9,953	8,752	1,692	10,077	7,135	5,466	1,126
Gas	1,908	350	742	136	1,166	214	–	–
Transport	417	98	72	17	283	66	62	15
TOTAL	**26,620**	**10,401**	**9,566**	**1,845**	**11,526**	**7,415**	**5,528**	**1,141**
Intensity ratio (tonnes CO_2e per tonne of plastic polymer)		0.80		0.39		1.54		0.34
Intensity ratio (tonnes CO_2e per £'000 revenue)		0.21		0.08		0.45		0.10

Electricity is the Group's largest source of CO_2e emissions, providing heat, light and power for premises, facilities and other plant and equipment. CO_2e emission factors are fundamentally dependent on the source of electricity. Poland has a higher proportion of coal-fired power stations compared with the UK, with Denmark having the lowest due to the amount of renewable energy generated, in particular from wind power. As such, the CO_2e emission factor per kWh for Poland is significantly higher than the UK and Denmark, resulting in higher CO_2e emissions for this country. This emission factor in the UK increased from 2022 to 2023, whilst Poland and Denmark decreased.

Tonnes of CO_2e per tonne of plastic polymer consumed and per £'000 of revenue are used as measures of intensity. The Group aims to reduce its total intensity over time and has a public GHG target to become net carbon positive by 2030. For the Group, the intensity ratio in 2023 was broadly equivalent to 2022, whilst the higher ratio in the UK is disappointing the main reason for this is the combination of lower production volumes and the amount of fixed infrastructure (e.g. for compressed air and chilling equipment) needed to operate the factory.

In 2020, we formed a team of energy and carbon management experts to focus on projects to form our roadmap to 2030, following the carbon hierarchy of energy and carbon reduction via improvements in technology and processes, onsite generation, and finally green energy procurement for those remaining emissions that we cannot eliminate. Over 30 projects were identified and we are systematically working through these to deliver a sustainable reduction.

The Group has invested in energy-saving initiatives in 2023, including:

- Installation of energy analytics software and monitoring equipment on every moulding machine and item of ancillary equipment in one factory providing data for decision making and identification of areas for improvement. This will be rolled out to other factories in due course;
- Installation of an evaporative air-cooling system which uses less energy than traditional air conditioning systems to improve the working environment in one refurbished factory in the UK;
- Replacement of gas central heating systems for the factory and office areas with either heat provided by latent heat transfer systems from production equipment, or where this is not possible from electric heaters, saving significantly on overall energy usage;
- Replacement of high-pressure air compressors with a low-pressure system and accompanying boosters where required to reduce energy consumption. All factories have been reviewed for leaks to further reduce energy used to generate compressed air;
- Replacement of water chilling systems with new equipment which supports free cooling, utilising low external temperatures to bypass or reduce the load on the mechanical chiller, thereby reducing energy usage; and
- Ongoing capacity and asset utilisation to become more energy efficient. 11 machines with an average age of 29 years were disposed in 2023.

As energy providers continue to decarbonise, the associated emission factors will reduce thereby helping reduce our overall carbon emissions generated, in parallel with implementation of our energy and carbon projects. In addition, pressure is on machine and technology providers to continue to develop the best available technology with low carbon and energy at affordable prices with attractive payback periods. This will drive more opportunities for investment in Robinson.

Methodology note: the Group has implemented the UK government guidance on measuring and reporting GHG emissions, in line with DEFRA guidelines, using conversion units published in the UK Government GHG Conversion Factors for Company Reporting 2023. Emissions in Poland have been converted using rates from The National Centre for Emissions Management (KOBiZE) for 2023. Denmark emission conversion rates have been sourced from The Danish Energy Agency (Energistyrelsen), please note that the 2022 numbers have been restated to include conversion rates from the Energistyrelsen, previously the factors were sourced from the Energinet Environment Report 2020.

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

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

The strategic report was approved by the Board of Directors on 21 March 2024 and is signed on its behalf by:

Mike Cusick
Director

21 March 2024

Corporate governance report

Board of Directors

Executive Directors

Sara Halton
Interim CEO

Appointed to the Board:
January 2019

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

Other roles:
Sara is a Non-executive Director of Roys of Wroxham an independent chain of retail outlets based in Norfolk and a Non-executive Director of the Crown Commercial Service which brings together policy, advice and direct buying; providing commercial services to the public sector and saving money for the taxpayer.

Mike Cusick
Finance Director

Appointed to the Board:
January 2019

A qualified management accountant, Mike joined Robinson in 2015. Previously he was Group Commercial Finance Director, responsible for the post-acquisition integration of the Madrox business in Poland, and new commercial systems across the Group. Prior to joining Robinson, Mike gained international financial experience during eight years in various finance roles at SIG plc, latterly as Financial Controller, Mainland Europe. Mike was appointed Finance Director on 1 January 2021.

Other roles:
None.

Non-executive Directors

Alan Raleigh
Independent Non-executive Chairman

Appointed to the Board:
August 2015

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

Other roles:
Non-executive Director of Cloetta, a Swedish confectionery company listed on the Stockholm Stock Exchange.

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

Guy Robinson
Non-executive Director

Appointed to the Board:
January 1995

Guy has an honours degree in Mechanical Engineering and qualified as a Chartered Accountant at Coopers & Lybrand, working for them until he joined Robinson in 1985. He was appointed Finance Director in 1995, a position that he held until 1 January 2021 when he was appointed Property Director and then also Non-executive Director from 24 June 2021.

Other roles:
None.

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

Chairman's governance statement

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

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

Governance structure

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

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

Nomination Committee
Meets at least twice per year
Chaired by Alan Raleigh
See page 31 for more information

Remuneration Committee
Meets at least twice per year
Chaired by Guy Robinson
See page 30 for more information

Audit & Risk Committee
Meets at least four times per year Chaired by Alan Raleigh
See page 31 for more information

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

Operating businesses

Board of Directors

The Company supports the concept of an effective Board leading the Group. The Board is responsible for approving Group policy and strategy with the aim of developing the business profitably, while assessing and managing the associated risks. The Directors are free to seek any further information they consider necessary. All Directors have access to independent professional advice at the Group's expense.

The Board reviews its performance as an integral part of each Board meeting and annually appraises the performance of each Director.

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

The Board meets regularly on dates agreed each year for the calendar year ahead. The Board formally met 12 times in 2023 and plans to meet 12 times in 2024 - additional meetings can be called as and when deemed necessary. A formal schedule of matters requiring Board approval is maintained covering such areas as strategy, approval of budgets, financial results, Board appointments and dividend policy.

The Board currently consists of a Non-executive Chairman, a Non-executive Director, an Interim CEO, and a Finance Director. The Chairman of the Board is Alan Raleigh and the Group's business is run by the Interim CEO (Sara Halton) and the Finance Director (Mike Cusick). The Board considers that Alan Raleigh is independent, but Guy Robinson is not due to his length of service with the Company. The QCA's guidelines state that the Board should have at least two independent non-executive Directors, and as such, the Company does not currently comply with this requirement. It is the Board's view that because this is a short-term arrangement, whilst the Company conducts a search for a permanent CEO, it does not compromise overall corporate governance.

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

	Principal skills and experience							
Board Member	**Packaging industry**	**Manufacturing**	**Multi-geography operations**	**Sustainability**	**Finance**	**Marketing**	**Property**	**IT & cyber security**
Alan Raleigh	✔✔✔	✔✔✔	✔✔✔	✔✔	✔	✔		
Sara Halton	✔✔	✔	✔✔✔	✔✔	✔✔✔	✔✔✔		✔
Guy Robinson	✔✔	✔✔	✔✔✔		✔✔✔		✔✔	✔
Mike Cusick	✔	✔	✔✔✔		✔✔✔			✔✔

Each Director keeps their skillset up to date by reading relevant publications and attending external training and personal development courses and workshops.

Sara Halton was appointed as the Senior Independent Director (SID) in September 2020, a role which she held until she was appointed as the Interim CEO on 1 September 2023. Since that date, because Guy Robinson is not deemed to be independent, there has not been an appointed SID.

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

Board evaluation and effectiveness

A formal external and independent review of the effectiveness of the Board was concluded during 2020. The purpose was to perform a comprehensive, independent and objective evaluation of the effectiveness and performance of the Board and its three committees. The results are described on Pages 28 and 29 of the 2020 Annual Report. All of the actions proposed in the 2020 annual report have been completed. The Board expects to reperform that assessment every three to five years.

External advice

During the year the Board didn't deem it necessary to commission any external advice.

Culture

Honesty and appropriate conduct are an integral part of the Robinson culture and values, and all our business activities. The Group undertakes regular review and monitoring of its policies in specific areas such as discrimination and harassment, anti-bribery and corruption, competition law, conflicts of interest and information security. The Company has a strong empowerment culture which continues to evolve, openness, fairness and transparency are valued. The Group strategy, values and behaviours were communicated to all employees as part of a "Big Picture" exercise in 2021 and are now delivered as part of a comprehensive induction plan for all new employees. The Group carried out a wide-ranging Organisational Culture Survey in 2020 and an employee engagement survey in 2023.

Committees of the Board

Remuneration Committee report

The Remuneration Committee is chaired by Guy Robinson and includes Alan Raleigh. On behalf of the Board, the Committee reviews and approves the remuneration and service contracts (including benefits) of the Executive Directors and other senior staff.

The Committee meets at least twice, and as often as required, during the year and is responsible for:

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

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

Alan Raleigh resigned from his role as the Committee Chair on 27 September 2023, from that point Guy Robinson has chaired the Committee.

Audit and Risk Committee report

The Audit and Risk Committee is chaired by Alan Raleigh and includes Guy Robinson. This Committee reviews the interim and preliminary announcement of final results and the annual financial statements prior to their publication. It is also responsible for the appointment or dismissal of the external auditors and for agreeing their fees. It keeps under review the scope and methodology of the audit and its cost effectiveness together with the independence and objectivity of the auditors. It meets with the auditors at least twice per year to agree the audit plan and review the results of the audit.

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

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

In relation to the external audit:

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

Committee activities during the year:

During the year, in addition to its audit responsibilities, the committee reviewed progress against the independent review of the cyber security maturity of the Robinson Group commissioned in 2021. A full tender process was also conducted for the external audit, which Mazars successfully retained.

The significant issues considered by the Committee in the 2023 annual report together with significant estimates, judgements and audit risks are covered in the external audit report on page 75.

Sara Halton resigned from her role as the Committee Chair on 1 September 2023 when she became the Interim CEO, from that point Alan Raleigh has chaired the Committee.

Nomination Committee report

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

The key responsibilities of the Committee are:

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

Committee activities and Board changes during the year:

In May, the Committee supported the CEO in a review of the organisational design including the decision to restructure the Senior Executive team.

In June, following the resignation of Helene Roberts as CEO, the Committee formally recommended to the Board that Sara Halton fulfil the role of Interim CEO whilst they lead a search for a permanent CEO.

Finally, the committee reviewed the results of the Non-executive Directors 2022 appraisal process and concluded that the feedback had been very valuable and constructive.

Attendance at Board and Committee meetings

The Executive Directors work on a full-time basis within the business, except for the Interim CEO who works on average 13 days per month. The Chair is expected to devote on average three to four days per month and other Non-executive Directors two to three days per month to the Company. The attendance at formal scheduled meetings for the year was as follows:

2023	Board	Audit Committee	Remuneration Committee	Nomination Committee	Attendance*
Number of meetings	12	3	2	2	
Alan Raleigh	12	3	2	2	100%
Sara Halton	12	3	2	2	100%
Guy Robinson	12	3	2	2	100%
Helene Roberts	6	1	1	1	75%
Mike Cusick	12	3	1	2	100%

*Measured against meetings for which Directors were invited to attend.

Internal control

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

The Board has reviewed the operation and effectiveness of the Group's system of internal financial control for the financial year up to the date of approval of the financial statements. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

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

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

It is the view of the Audit and Risk Committee and the Board that due to the size and complexity of the business and prohibitive cost, an independent internal audit function is not currently a necessity for the Group. To gain appropriate assurance, the Committee place reliance on monthly management reports, annual updates from specific Group functions and where necessary will commission external reports on specific risk areas such as IT Security. The external audit is based on substantive test procedures but the auditor provides recommendations to the Audit and Risk Committee where their work identifies areas for improvement in internal control.

On behalf of the Board,

Alan Raleigh
Chairman
21 March 2024

Directors' remuneration report

On behalf of the Remuneration Committee, I am pleased to present the Directors' remuneration report for the year. This report sets out the Company's remuneration policy for the Directors and explains how this policy was applied during the financial year to 31 December 2023.

Remuneration policy

Executive Directors

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

The Company's remuneration policy for Executive Directors is:

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

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

Base salary

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

Annual performance incentive

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

Pensions and other benefits

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

Share awards

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

Non-executive Directors

The remuneration of the Non-executive Directors is determined by the Board as a whole based on current practice in equivalent companies. The remuneration has not been adjusted for the last six years. The Committee has proposed and the Board has approved a 6% increase in salary, effective 1 January 2024. The Non-executive Directors do not receive any pension payments. With the exception of Guy Robinson in his capacity as Property Director, the Non-executive Directors do not participate in any incentive or share award scheme.

Wider employee considerations

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

Shareholder engagement

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

Remuneration Committee advice

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

Annual remuneration statement

The Directors received the following remuneration during the year:

	2023					2022				
	Base salary £'000	**Other benefits £'000**	**Bonus £'000**	**Pension £'000**	**Total £'000**	Base salary £'000	Other benefits £'000	Bonus £'000	Pension £'000	Total £'000
Helene Roberts	254	29	-	26	**309**	244	49	-	24	**317**
Mike Cusick	140	9	-	14	**163**	130	11	-	13	**154**
Guy Robinson	90	3	69	-	**162**	102	18	9	-	**129**
Sara Halton	128	-	-	8	**136**	45	-	-	-	**45**
Alan Raleigh	60	-	-	-	**60**	60	-	-	-	**60**
Total	**672**	**41**	**69**	**48**	**830**	**581**	**78**	**9**	**37**	**705**

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

Helene Roberts received a pension allowance equivalent to 10% of basic pay. Mike Cusick is a member of a money purchase pension plan, and the Company contributes at a rate of 10% of salary. Sara Halton also receives a pension allowance equivalent to 10% of basic pay arising from her duties as Interim CEO.

The committee sought external comparison of Executive Directors' and Non-executive Directors' remuneration. Through multiple sources, the Board are satisfied that Board Remuneration is appropriate and comparable to other similar, listed organisations.

In accordance with the terms of her contract, Helene Roberts was paid her salary and benefits until 31 December 2023. As part of the transition, Sara Halton was paid as the Interim CEO from 22 June 2023.

In accordance with best practice, no Director is involved in the setting of his or her remuneration or performance incentives.

Annual performance incentive

Details of the annual bonuses, based on performance in the year as a % of salary, achieved by the Executive Directors for the year ended 31 December 2023 are as follows: Helene Roberts nil% (2022: nil%), Sara Halton nil% (2022: nil%), and Mike Cusick nil% (2022: nil%).

Guy Robinson achieved a bonus of £68,845 (2022: £8,774) as a result of surplus property sales achieved.

Average pay

The committee reviewed average salaries and average hourly pay rates across the Group by gender and geography. Overall, examination of the data confirms equality of pay for similar roles between females and males.

However, there remains a historical gender imbalance in some parts of the business, including Sales & Distribution, Engineering, and some higher skilled Manufacturing roles, where there is a higher proportion of male employees. As a result, the mean pay of males across the Group is 1.2 times (2022: 1.1 times) higher than the mean pay of females.

The pay of our CEO in the year was 9.0 times (2022: 9.0 times) greater than the average pay of all Group staff.

Directors' share options

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

	Original grant	Unexercised options at 31 Dec 2022	Granted in the year	Exercised in the year	Lapsed or cancelled in the year	Unexercised options at 31 Dec 2023	Exercise price	Earliest date of exercise	Date of expiry
Helene Roberts	300,000	300,000	-	-	(300,000)	-	118.5p	17-Jul-23	16-Jul-30
	300,000	300,000	-	-	(300,000)	-	118.5p	17-Jul-25	16-Jul-30
Guy Robinson	67,494	67,494	-	-	-	67,494	202p	08-Apr-17	07-Apr-24
Mike Cusick	58,000	58,000	-	-	-	58,000	130p	12-May-20	11-May-27
Directors' share options	**725,494**	**725,494**	**-**	**-**	**(600,000)**	**125,494**			
Other key managers	75,000	**75,000**	-	-	-	**75,000**	130p	12-May-20	11-May-27
Total share options	**800,494**	**800,494**	**-**	**-**	**(600,000)**	**200,494**			

200,494 options were exercisable at 31 December 2023 (2022: 200,494). The market value of the shares at 31 December 2023 was 92.5p per share.

Directors shareholdings

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

	31 December 2023	31 December 2022
Guy Robinson	**1,353,583**	1,353,583
Alan Raleigh	**36,145**	36,145
Sara Halton	**12,049**	12,049
Mike Cusick	**5,458**	5,458

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

Guy Robinson
Remuneration Committee Chairman

21 March 2024

Directors' report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2023. The financial statements of the Group and the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Results and dividends

A review of the Group's performance for the year ended 31 December 2023 is included in the Chairman's statement and in the Strategic report.

The Directors recommend a final dividend of 3.0p per share to be paid on 21 June 2024 to shareholders on the register at the close of business on 7 June 2024. Further details of dividend payments during the year are included in note 8 to the financial statements.

Directors and their interests

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

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

The Group maintains insurance cover to protect Directors in respect of their duties as Directors of the Group. During the year, none of the Directors had any material interest in any contract of significance in relation to the Group's business. In accordance with the Company's articles of association, Alan Raleigh and Mike Cusick retire and offer themselves for re-election at the AGM. Further details concerning Directors are provided in the Corporate governance report.

Employee communication

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

Employment of disabled persons

In accordance with Group policy, full and fair consideration is given to the employment of disabled persons, having regard to their aptitudes and abilities and the responsibility and physical demands of the job. Disabled employees are provided with equal opportunities for training and career development.

Financial risk management objectives and policies

Information on the Group's financial risk management objectives, policies and activities, and on the exposure of the Group to relevant risks in respect of financial instruments, is set out in note 25 to the financial statements and in the Strategic report.

Directors' Indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

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

The Group has credit facilities with bankers HSBC Bank UK including a £3.0m commercial mortgage which expires in March 2026 and £5m of other short-term facilities which have recently been renewed for 12 months to March 2025. The Group also has £0.9m of other commercial mortgages and £0.1m of other short-term facilities in its overseas subsidiaries. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

As at the date of this report, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details are provided in note 34 to the accounts.

Future developments

See the Chairman's statement 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 23 to the financial statements, the issued share capital of the Company is 17,687,223 ordinary shares of 0.5p each of which 933,778 are held in treasury. There have been no changes to the issued share capital since the year end. There is only one class of shares in issue and there are no restrictions on the voting rights attached to these shares or the transfer of securities in the Company. Details of share options are set out in the Directors' remuneration report. Persons with a shareholding of over 3% in the Company as at 31 December 2023 were:

	Total shares	%
C W G Robinson	1,353,583	8.1%
S J Robinson	659,995	3.9%
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	3.1%
H G Shaw	515,191	3.1%
J C Mansell	500,000	3.0%

Business relationships

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

Energy and carbon reporting

A report on the Group's energy usage and greenhouse gas emissions is provided in the Strategic report on page 26.

Annual General Meeting

The notice convening the Company's 2024 AGM for 11:30 am on 9 May 2024 is set out in a separate document provided on page 80 and is available on the Group's website at robinsonpackaging.com. The Annual report for the year ended 31 December 2023 is available from the Group's website.

Independent auditor

The remuneration of the auditor for the year ended 31 December 2023 is disclosed in note 5 to the financial statements.

Branches outside the UK

The Company operates outside the UK through subsidiaries, it holds indirect investments in one unlisted company incorporated in Poland and one unlisted company incorporated in Denmark. Further details are provided in note 14 to the financial statements.

Auditor

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

- 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 they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

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

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, Directors' remuneration report, Corporate governance report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards 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 UK-adopted international accounting standards 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.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position, performance, business model and strategy.

On behalf of the Board,

Mike Cusick
Director
21 March 2024

Financial statements

Group income statement and statement of comprehensive income

Group income statement	Note	**2023 £'000**	2022 £'000
Revenue	1	**49,670**	50,529
Cost of sales		**(40,039)**	(41,765)
Gross profit		**9,631**	8,764
Operating costs	2	**(8,536)**	(5,017)
Operating profit before amortisation of intangible assets		**1,095**	3,747
Amortisation of intangible assets	12	**(990)**	(947)
Operating profit		**105**	2,800
Finance income - interest receivable		**40**	–
Finance costs	4	**(805)**	(507)
(Loss)/profit before taxation	5	**(660)**	2,293
Taxation	7	**(160)**	51
(Loss)/profit for the period		**(820)**	2,344
(Loss)/earnings per ordinary share (EPS)		**p**	p
Basic (loss)/earnings per share	9	**(4.9)**	14.0
Diluted (loss)/earnings per share	9	**(4.9)**	14.0

All results are from continuing operations.

Group statement of comprehensive income	Note	**2023 £'000**	2022 £'000
(Loss)/profit for the period		**(820)**	2,344
Items that will not be reclassified subsequently to the income statement:			
Remeasurement of net defined benefit liability	31	**289**	180
Deferred tax relating to items not reclassified		**(68)**	(34)
Return of pension escrow		**3,290**	–
Deferred tax on pension escrow		**(774)**	–
		2,737	146
Items that may be reclassified subsequently to the income statement:			
Exchange differences on translation of foreign currency goodwill and intangibles		**44**	176
Exchange differences on translation of foreign currency deferred tax balances		**3**	(26)
Exchange differences on translation of foreign operations		**527**	481
		574	631
Other comprehensive income for the period		**3,311**	777
Total comprehensive income for the period		**2,491**	3,121

Notes 1 to 34 form an integral part of the financial statements.

Statement of financial position as at 31 December

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Non-current assets					
Goodwill	11	**1,621**	1,570	**–**	–
Other intangible assets	12	**1,927**	2,924	**–**	–
Property, plant and equipment	13	**23,920**	22,960	**7,376**	7,449
Investments in subsidiaries	14	**–**	–	**16,815**	18,980
Deferred tax assets	19	**508**	1,294	**–**	821
		27,976	28,748	**24,191**	27,250
Current assets					
Inventories	15	**4,747**	5,155	**–**	–
Trade and other receivables	16	**10,635**	9,522	**3,283**	3,634
Cash at bank and on hand	25	**3,576**	5,097	**1,343**	935
Current tax asset		**–**	110	**–**	–
Assets classified as held for sale	17	**–**	642	**–**	792
		18,958	20,526	**4,626**	5,361
Total assets		**46,934**	49,274	**28,817**	32,611
Current liabilities					
Trade and other payables	18	**10,114**	9,543	**6,015**	6,174
Borrowings	20	**3,527**	5,535	**301**	3,165
Current tax liabilities		**172**	–	**–**	–
		13,813	15,078	**6,316**	9,339
Non-current liabilities					
Borrowings	20	**6,350**	8,743	**2,731**	4,085
Deferred tax liabilities	19	**1,119**	1,395	**18**	–
Amounts due to group undertakings		**–**	–	**8,497**	7,496
Provisions	22	**98**	116	**98**	116
		7,567	10,254	**11,344**	11,697
Total liabilities		**21,380**	25,332	**17,660**	21,036
Net assets		**25,554**	23,942	**11,157**	11,575
Equity					
Share capital	23	**84**	84	**84**	84
Share premium		**828**	828	**828**	828
Capital redemption reserve		**216**	216	**216**	216
Translation reserve		**207**	(367)	**–**	–
Revaluation reserve		**3,487**	3,856	**295**	295
Retained earnings	24	**20,732**	19,325	**9,734**	10,152
Equity attributable to shareholders		**25,554**	23,942	**11,157**	11,575

As permitted by section 408 of the Companies Act 2006, the parent Company's income statement has not been included in these financial statements and its loss for the financial year after tax amounted to £2,276,000 (2022: profit £1,043,000).

Notes 1 to 34 form an integral part of the financial statements. The financial statements were approved by the Board of Directors on 21 March 2024 and were signed on its behalf by:

Sara Halton
Director

Mike Cusick
Director

Registered in England number 39811

Statement of changes in equity

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Group							
At 1 January 2022	84	828	216	(998)	4,107	17,433	21,670
Profit for the year	–	–	–	–	–	2,344	2,344
Other comprehensive income	–	–	–	631	–	146	777
Total comprehensive income for the year	–	–	–	631	–	2,490	3,121
Transfer from revaluation reserve as a result of property transactions	–	–	–	–	(251)	255	4
Credit in respect of share-based payments	–	–	–	–	–	45	45
Dividends paid	–	–	–	–	–	(898)	(898)
At 31 December 2022	84	828	216	(367)	3,856	19,325	23,942
Loss for the year	–	–	–	–	–	(820)	(820)
Other comprehensive income	–	–	–	574	–	2,737	3,311
Total comprehensive income for the year	–	–	–	574	–	1,917	2,491
Transfer from revaluation reserve as a result of property transactions	–	–	–	–	(369)	369	–
Credit in respect of share-based payments	–	–	–	–	–	19	19
Dividends paid	–	–	–	–	–	(898)	(898)
At 31 December 2023	**84**	**828**	**216**	**207**	**3,487**	**20,732**	**25,554**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Revaluation reserve £'000	Retained earnings £'000	Total £'000
Company							
At 1 January 2022	84	828	216	–	386	9,721	11,235
Loss for the year	–	–	–	–	–	1,043	1,043
Other comprehensive income	–	–	–	–	–	146	146
Total comprehensive income for the year	–	–	–	–	–	1,189	1,189
Transfer from revaluation reserve as a result of property transactions	–	–	–	–	(91)	95	4
Credit in respect of share-based payments	–	–	–	–	–	45	45
Dividends paid	–	–	–	–	–	(898)	(898)
At 31 December 2022	84	828	216	–	295	10,152	11,575
Loss for the year	–	–	–	–	–	(2,276)	(2,276)
Other comprehensive income	–	–	–	–	–	2,737	2,737
Total comprehensive income for the year	–	–	–	–	–	461	461
Transfer from revaluation reserve as a result of property transactions	–	–	–	–	–	–	–
Credit in respect of share-based payments	–	–	–	–	–	19	19
Dividends paid	–	–	–	–	–	(898)	(898)
At 31 December 2023	**84**	**828**	**216**	**–**	**295**	**9,734**	**11,157**

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

Cash flow statement

	Note	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Cash flows from operating activities					
(Loss)/profit for the period		**(820)**	2,344	**(2,276)**	1,043
Adjustments for:					
Depreciation of property, plant and equipment	13	**3,280**	3,151	**73**	82
Impairment of property, plant and equipment	13	**51**	–	**–**	–
Loss/(Profit) on disposal of property, plant and equipment	5	**11**	(1,454)	**–**	(1,538)
(Profit)/Loss on disposal of assets held for sale	5	**(58)**	(737)	**117**	(640)
Amortisation of intangible assets	12	**990**	947	**–**	–
Finance income		**(40)**	–	**(24)**	(34)
Impairment of investment in subsidiaries	14	**–**	–	**723**	296
Finance costs	4	**805**	507	**295**	260
Taxation charged/(credited)	7	**160**	(51)	**(3)**	(195)
Other non-cash items:					
– Pension current service cost and expenses	31	**289**	180	**289**	180
– Charge for share options	32	**19**	45	**19**	45
Operating cash flows before movements in working capital		**4,687**	4,932	**(787)**	(501)
Decrease in inventories		**472**	36	**–**	–
(Increase)/Decrease in trade and other receivables		**(938)**	671	**350**	1,156
Increase/(Decrease) in trade and other payables		**835**	1,951	**(171)**	151
Decrease in provisions	22	**(18)**	(12)	**(18)**	(12)
Cash generated by operations		**5,038**	7,578	**(626)**	794
Corporation tax paid		**(210)**	(317)	**–**	–
Interest paid		**(826)**	(492)	**(295)**	(240)
Net cash generated/(used) by operating activities		**4,002**	6,769	**(921)**	554
Cash flows from investing activities					
Interest received		**40**	–	**24**	–
Acquisition of property, plant and equipment	13	**(4,034)**	(2,584)	**–**	(11)
Proceeds on disposal of property, plant and equipment		**26**	2,600	**–**	2,515
Proceeds on disposal of assets held for sale		**700**	975	**700**	975
Deferred consideration paid		**–**	(2,261)	**–**	–
Net cash (used)/generated in investing activities		**(3,268)**	(1,270)	**724**	3,479
Cash flows from financing activities					
Loans repaid		**(1,578)**	(1,501)	**(1,518)**	(1,450)
Loans drawn down		**1,359**	440	**–**	–
Loans granted to subsidiaries	14	**–**	–	**(13)**	(2,322)
Loans repaid by subsidiaries	14	**–**	–	**1,448**	–
Loans drawn down from subsidiaries		**–**	–	**1,057**	1,250
Net proceeds from sale and leaseback transactions		**–**	439	**–**	–
Proceeds from return of escrow		**585**	–	**585**	–
Capital element of lease payments		**(1,828)**	(1,714)	**–**	–
Dividends paid	8	**(898)**	(898)	**(898)**	(898)
Net cash (used)/generated in financing activities		**(2,360)**	(3,234)	**661**	(3,420)
Net (decrease)/increase in cash and cash equivalents		**(1,626)**	2,265	**464**	613
Cash and cash equivalents at 1 January		**5,097**	2,775	**935**	319
Effect of foreign exchange rate changes		**105**	57	**(56)**	3
Cash and cash equivalents at end of period		**3,576**	5,097	**1,343**	935
Cash at bank and on hand		**3,576**	5,097	**1,343**	935
Cash and cash equivalents at end of period		**3,576**	5,097	**1,343**	935

Notes 1 to 34 form an integral part of the financial statements.

Notes to the financial statements

1 Segmental and revenue information

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:

2023	UK £'000	Poland £'000	Denmark £'000	UK head office £'000	Total Group £'000
Revenue	19,897	18,259	11,514	–	49,670
Operating profit/(loss) before amortisation of intangible assets	226	2,147	(109)	(1,169)	1,095
Amortisation of intangible assets	–	(774)	(216)	–	(990)
Operating profit/(loss)	**226**	**1,373**	**(325)**	**(1,169)**	**105**
Finance income - interest receivable	29	1	–	10	40
Finance costs	(115)	(112)	(302)	(276)	(805)
(Loss)/profit before taxation	**140**	**1,262**	**(627)**	**(1,435)**	**(660)**
Taxation	(2)	(437)	81	198	(160)
(Loss)/profit for the period	**138**	**825**	**(546)**	**(1,237)**	**(820)**
Other segment information					
Assets	11,496	17,152	11,889	6,397	46,934
Liabilities	(4,678)	(4,841)	(7,689)	(4,172)	(21,380)
Capital expenditure	364	1,338	2,332	–	4,034
Depreciation	1,367	1,043	797	73	3,280
Exceptional items	(275)	–	–	(841)	(1,116)

2022	UK £'000	Poland £'000	Denmark £'000	UK head office £'000	Total Group £'000
Revenue	22,005	16,619	11,905	–	50,529
Operating profit/(loss) before amortisation of intangible assets	475	1,729	117	1,426	3,747
Amortisation of intangible assets	–	(735)	(212)	–	(947)
Operating profit/(loss)	**475**	**994**	**(95)**	**1,426**	**2,800**
Net finance costs	(88)	(38)	(121)	(260)	(507)
Profit/(loss) before taxation	**387**	**956**	**(216)**	**1,166**	**2,293**
Taxation	12	(342)	–	381	51
Profit/(loss) for the period	**399**	**614**	**(216)**	**1,547**	**2,344**
Other segment information					
Assets	12,816	17,187	11,729	7,542	49,274
Liabilities	(5,766)	(3,752)	(7,356)	(8,458)	(25,332)
Capital expenditure	1,135	643	795	11	2,584
Depreciation	1,347	924	817	63	3,151
Exceptional items	(296)	–	–	2,010	1,714

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

Revenue by major customer
Revenues from the Group's largest customer amounted to £8,299,000 (2022: £8,279,000); this is included in the UK, Poland and Denmark operating segments. No other customer contributed 10% or more to Group revenue.

1 Segmental and revenue information (continued)

Revenue by geographic area

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

	2023 £'000	2022 £'000
United Kingdom	**19,385**	21,338
Poland	**14,183**	12,554
Denmark	**6,063**	6,373
Holland	**4,933**	4,947
Hungary	**1,977**	1,980
Belgium	**767**	810
Others within Europe	**1,767**	1,982
Others	**595**	545
	49,670	50,529

2 Operating costs

	2023 £'000	2022 £'000
Selling, marketing and distribution costs	**1,777**	1,337
Administrative costs	**6,001**	5,734
Property lease income	**(266)**	(269)
Exceptional items (see note 3)	**1,116**	(1,714)
Other income	**(118)**	(112)
Loss on foreign exchange	**26**	41
	8,536	5,017

3 Exceptional items

	2023 £'000	2022 £'000
(Loss)/Profit on disposal of land and buildings	**(25)**	2,168
Pension related costs	**(313)**	–
Flood related costs	**(119)**	–
Restructuring & rationalisation costs	**(659)**	(404)
Retranslation of deferred consideration payable	**–**	(50)
	(1,116)	1,714

4 Finance costs

	2023 £'000	2022 £'000
Interest on bank overdrafts and other short term financing	**118**	101
Interest on bank and other loans	**273**	235
Interest on leases	**414**	171
	805	507

Notes to the financial statements continued

5 (Loss)/profit before taxation

The (loss)/profit before taxation has been stated after charging/(crediting):	2023 £'000	2022 £'000
Cost of inventories (included in cost of sales)	**37,973**	39,785
Employee costs (see note 6)	**12,044**	11,343
Depreciation of property, plant and equipment (see note 13)		
- owned	**1,944**	1,812
- held under leasing arrangements	**1,336**	1,339
Amortisation of intangible assets (see note 12)	**990**	947
Impairment in respect of:		
- inventories (see note 15)	**46**	(14)
- receivables (see note 16)	**175**	–
Loss/(gain) on disposal of property, plant and equipment	**11**	(1,454)
Gain on disposal of assets held for sale	**(58)**	(737)
Loss on foreign exchange movements	**26**	41
Fees payable by the Group to the Company's independent auditor, Mazars LLP, and its associates, were as follows:		
Audit fees:		
- for the audit of the UK companies	**85**	70
- for the audit of the overseas companies	**14**	13
Total auditor's remuneration	**99**	83
Audit fees in respect of the Robinson pension plan (charged to the plan)	**6**	5

6 Employee information

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

Number employed:	**Group 2023**	Group 2022	**Company 2023**	Company 2022
Manufacturing	**282**	305	**–**	–
Sales, general and administration	**64**	63	**14**	16
Total	**346**	368	**14**	16
Employee costs during the year amounted to:	**£'000**	£'000	**£'000**	£'000
Wages and salaries	**10,320**	9,583	**1,407**	1,148
Social security costs	**1,064**	1,029	**121**	145
Pension costs	**641**	684	**158**	155
Share-based charges	**19**	47	**19**	45
Total	**12,044**	11,343	**1,705**	1,493

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

7 Taxation

Current corporation tax is calculated at 23.52% (2022: 19.00%) of the estimated assessable profit for the year. In addition, deferred tax of £nil (2022: £5,000) has been debited directly to equity in the year (see note 19). The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2023 £'000	2022 £'000
Current tax on profit for the year	357	285
Adjustments for current tax of prior periods	67	(243)
Total current tax charge	424	42
(Decrease)/increase in deferred tax assets	(81)	100
Increase/(decrease) in deferred tax liability	591	(193)
Total current deferred tax credit	510	(93)
Deferred tax charge recognised within other comprehensive income	(774)	–
Total tax charge/(credit)	160	(51)
(Loss)/profit before taxation	(660)	2,293
At the effective rate of tax of 23.52% (2022: 19.00%)	(155)	436
Items disallowable for tax	420	48
Depreciation on assets ineligible for capital allowances	17	15
Capital allowances for year in excess of depreciation	(118)	(297)
Profit on disposal	(14)	(433)
Chargeable gains	–	40
Prior year adjustments - deferred tax	27	(2)
Remeasurement of deferred tax for changes in tax rates	–	–
Non-taxable items	(30)	(9)
Losses carried forward	70	150
Other differences	(57)	1
Tax charge/(credit) for the year	160	(51)

The total tax charge recognised in other comprehensive income in the year was £771,000 (2022: £26,000). There are unrecognised capital losses carried forward of £nil (2022: £nil). The Directors are not aware of any material factors affecting the future tax charge. Deferred tax balances have been provided at 25% in these accounts.

The Corporation Tax rate for the year ended 31 December 2023 was 23.52%. Deferred tax has been calculated for the UK based on the expected reversal dates of the temporary differences.

Total current tax expense related to Pillar Two income taxes was £nil (2022: £nil), and there is no exposure to Pillar Two income taxes as at 31 December 2023.

8 Dividends

		2023 £'000	2022 £'000
Ordinary dividend paid:	2021 final of 3.0p per share	–	490
	2022 interim of 2.5p per share	–	408
	2022 final of 3.0p per share	490	–
	2023 interim of 2.5p per share	408	–
		898	898

An interim dividend of 2.5p per ordinary share was paid on 13 October 2023 (2022: 2.5p). The Directors are proposing a final dividend of 3.0p for the year ended 31 December 2023 (2022: 3.0p). Total dividends paid during the year, including the final dividend for 2022, were £898,000 (2022: £898,000). No dividends have been paid between 31 December 2023 and the date of signing the financial statements.

Notes to the financial statements continued

9 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 loss after taxation of £820,000 (2022: profit £2,344,000) divided by the weighted average number of shares in issue, net of treasury shares of 16,753,445 (2022: 16,753,445) and for diluted earnings per share of 16,753,445 (2022: 16,753,445) after the potentially dilutive effect of further shares issued through share options is applied.

	2023	2022
Weighted average number of ordinary shares in issue (thousands)	**16,753**	16,753
Effect of dilutive share option awards (thousands)	**–**	–
Weighted average number of ordinary shares for calculating diluted earnings per share (thousands)	**16,753**	16,753

200,494 (2022: 800,494) share options were not included in the diluted earnings per share calculation as their effect is anti-dilutive in the periods presented.

10 Property lease income	**2023 £'000**	2022 £'000
Receivable:		
- within one year	**98**	135
- between one and two years	**46**	98
- between two and three years	**9**	46
- between three and four years	**–**	10
- between four and five years	**–**	–
	153	289

11 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 goodwill balance includes amounts relating to the Madrox business in Poland, acquired in 2014, which forms a part of the Poland operating segment; and the Schela Plast business in Denmark, acquired in 2021, which forms a part of the Denmark operating segment. The goodwill arises as a result of the deferred tax liability created on the recognition of the customer relationship intangible assets.

Group	
Cost	**£'000**
At 1 January 2022	1,866
Exchange differences	66
At 31 December 2022	1,932
Exchange differences	72
At 31 December 2023	**2,004**
Accumulated impairment losses	
At 1 January 2022	352
Exchange differences	10
At 31 December 2022	362
Exchange differences	21
At 31 December 2023	**383**
Carrying amount	
At 31 December 2023	**1,621**
At 31 December 2022	1,570

11 Goodwill (continued)

The carrying value of goodwill in respect of all CGU's is set out below. These are supported by value in use calculations in the year as explained below.

	2023 £'000	2022 £'000
Denmark	**474**	485
Poland	**1,147**	1,085
	1,621	1,570

The Group tests goodwill and the associated intangible assets annually for impairment, or more frequently if there are indications that an impairment may be required. The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for these calculations are those regarding discount rates, sales and operating profit growth rates. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money for the Group. In respect of the other assumptions, external data and management's best estimates are applied. The Group performs goodwill impairment reviews by forecasting cash flows based upon the following year's budget, which anticipates sales growth, and a projection of sales and cash flows based upon 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% (2022: 2%) in perpetuity. The base pre-tax rate used to discount the forecast cash flows is 5.7% (2022: 5.4%), which reflects the weighted average cost of capital for the Group. The Poland CGU uses a rate of 5.9% (2022: 5.6%) including a risk adjustment of 0.4% (2022: 0.4%) to reflect the higher risk associated with returns in Poland. The Denmark CGU uses a rate of 5.1% (2022: 4.9%) including a risk adjustment of -0.9% (2022: -1.0%) to reflect the lower risk associated with returns in Denmark. The carrying value of the Group's CGUs remains supportable. The Group has conducted a sensitivity analysis on the impairment test of the CGU carrying value. The Directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of goodwill is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

12 Intangible assets

Group	Customer relationships
Cost	**£'000**
At 1 January 2022	9,494
Exchange differences	331
At 31 December 2022	9,825
Exchange differences	382
At 31 December 2023	**10,207**
Amortisation	
At 1 January 2022	5,743
Charge for the year	947
Exchange differences	211
At 31 December 2022	6,901
Charge for the year	990
Exchange differences	389
At 31 December 2023	**8,280**
Carrying amount	
At 31 December 2023	**1,927**
At 31 December 2022	2,924

The amortisation period for customer relationships acquired is 10 years.

The current average useful life of customer relationships is 5.7 years (2022: 5.5 years).

See note 11 for impairment assessment.

Notes to the financial statements continued

13 Property, plant and equipment

	Land and buildings £'000	Surplus properties £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Group					
Cost or deemed cost					
At 1 January 2022	11,311	3,701	35,535	890	51,437
Additions at cost	145	–	1,825	614	2,584
Reclassified as held for sale	–	(642)	–	–	(642)
Disposals	(1,456)	–	(1,291)	(118)	(2,865)
Reclassified	–	–	263	(263)	–
Exchange movement	239	–	580	16	835
At 31 December 2022	10,239	3,059	36,912	1,139	51,349
Additions at cost	268	–	1,298	2,468	4,034
Disposals	–	–	(913)	–	(913)
Exchange movement	243	–	656	18	917
At 31 December 2023	**10,750**	**3,059**	**37,953**	**3,625**	**55,387**
Accumulated depreciation and impairment					
At 1 January 2022	3,289	290	22,966	–	26,545
Charge for year	377	–	2,774	–	3,151
Disposals	(480)	–	(1,239)	–	(1,719)
Exchange movement	66	–	346	–	412
At 31 December 2022	3,252	290	24,847	–	28,389
Charge for year	370	–	2,910	–	3,280
Disposals	–	–	(902)	–	(902)
Impairment	–	–	51	–	51
Exchange movement	97	–	552	–	649
At 31 December 2023	**3,719**	**290**	**27,458**	**–**	**31,467**
Net book value					
At 31 December 2023	**7,031**	**2,769**	**10,495**	**3,625**	**23,920**
At 31 December 2022	6,987	2,769	12,065	1,139	22,960

13 Property, plant and equipment (continued)

	Land and buildings £'000	Surplus properties £'000	Plant and machinery £'000	Assets under construction £'000	Total £'000
Company					
Cost or deemed cost					
At 1 January 2022	5,201	6,297	84	–	11,582
Additions at cost	–	–	11	–	11
Reclassified as held for sale	–	(792)	–	–	(792)
Disposals	(1,456)	–	–	–	(1,456)
At 31 December 2022	3,745	5,505	95	–	9,345
At 31 December 2023	**3,745**	**5,505**	**95**	**–**	**9,345**
Accumulated depreciation and impairment					
At 1 January 2022	2,019	215	60	–	2,294
Charge for year	75	–	7	–	82
Disposals	(480)	–	–	–	(480)
At 31 December 2022	1,614	215	67	–	1,896
Charge for year	65	–	8	–	73
At 31 December 2023	**1,679**	**215**	**75**	**–**	**1,969**
Net book value					
At 31 December 2023	**2,066**	**5,290**	**20**	**–**	**7,376**
At 31 December 2022	2,131	5,290	28	–	7,449

The assets under construction relate to plant and machinery.

At 31 December 2023, 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 £6,083,000 (2022: £6,313,000); Company £950,000 (2022: £1,269,000). After undertaking professional independent valuations in 2022, which were performed by Innes England Limited, the Directors consider the fair value of the surplus properties held by the Group equates to a market value of £7,368,000 (2022: £8,068,000).

Notes to the financial statements continued

14 Investments in subsidiaries	Shares in Group undertakings £'000	Loans to Group undertakings £'000	Total £'000
Company			
Cost			
At 1 January 2022	1	19,724	19,725
Exchange differences	–	59	59
Loans granted	–	2,322	2,322
At 31 December 2022	1	22,105	22,106
Exchange differences	–	(7)	(7)
Loans granted	–	13	13
Loans repaid	–	(1,448)	(1,448)
At 31 December 2023	**1**	**20,663**	**20,664**
Amounts written off			
At 1 January 2022	–	2,830	2,830
Written off in the period	–	296	296
At 31 December 2022	–	3,126	3,126
Written off in the period	–	723	723
At 31 December 2023	**–**	**3,849**	**3,849**
Net book value			
At 31 December 2023	**1**	**16,814**	**16,815**
At 31 December 2022	1	18,979	18,980

The loans are classed as equity investments and repayment is neither planned nor likely in the foreseeable future. Provision has been made against the investment where there is an identified shortfall of net assets within the applicable subsidiary. Robinson Paperbox Packaging Limited made a loss during the year, impacted by the flood in October 2023.

Interests in Group undertakings

The Company has the following interest in subsidiaries, all of which are included in the consolidated accounts:

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

In each case, the Company's equity interest is in the form of ordinary shares. The registered address of all the companies is Field House, Wheatbridge, Chesterfield, S40 2AB except for: Robinson Packaging Polska Sp z o.o, whose registered address is 238 Gen J Dabrowskiego, 93-231 Łódź, Poland; and Robinson Packaging Danmark A/S whose registered office is Erhvervsvej 2, 6650 Brørup, Denmark. The percentage shareholding for all subsidiaries is 100%.

15 Inventories

	Group 2023 £'000	Group 2022 £'000
Raw materials, packaging and consumables	**2,904**	3,190
Work in progress	**29**	99
Finished goods and goods for resale	**1,814**	1,866
	4,747	5,155

Inventories are stated net of an allowance of £434,000 (2022: £583,000) in respect of excess, obsolete or slow-moving items.

Movements in the allowance were as follows:

Inventory provision movements	Group 2023 £'000	Group 2022 £'000
At 1 January	**(583)**	(708)
Utilisation	**195**	111
Unused amount reversed	**135**	182
Increase in allowance	**(181)**	(168)
At 31 December	**(434)**	(583)

16 Trade and other receivables

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Trade receivables	**10,430**	9,134	**233**	223
Less: provision for impairment of trade receivables	**(328)**	(159)	**(75)**	(75)
Trade receivables – net	**10,102**	8,975	**158**	148
Receivables from subsidiaries	**–**	–	**2,916**	3,138
Other receivables	**313**	70	**74**	14
Social security and other taxes	**–**	215	**–**	215
Prepayments	**220**	262	**135**	110
Trade and other receivables	**10,635**	9,522	**3,283**	3,625
Current tax assets	**–**	–	**–**	9
Total receivables	**10,635**	9,522	**3,283**	3,634

Trade terms are a maximum of 150 days credit. The average credit period taken is 74 days (2022: 66 days). Due to their short-term nature, the fair value of trade and other receivables does not differ from book value. The net impairment of trade receivables charged to the income statement was £175,000 (2022: £nil). There is no impairment of any receivables other than trade receivables. Trade receivables from one customer amounted to £1,562,000 at 31 December 2023 (2022: £1,056,000).

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

At 31 December 2023	Current	More than 30 days past due	More than 90 days past due	More than 120 days past due	More than 210 days past due	Total
Expected loss rate	–	–	–	50%	100%	
Gross carrying amount (£'000)	9,628	606	25	41	130	10,430
Credit loss allowance (£'000)	–	–	–	21	130	151

At 31 December 2022	Current	More than 30 days past due	More than 90 days past due	More than 120 days past due	More than 210 days past due	Total
Expected loss rate	–	–	–	50%	100%	
Gross carrying amount (£'000)	8,676	344	14	33	67	9,134
Credit loss allowance (£'000)	–	–	–	17	67	84

Notes to the financial statements continued

16 Trade and other receivables (continued)

In addition to the credit loss allowance, the provision for impairment of trade receivables includes additional specific provisions for estimated irrecoverable debts of £72,000 (2022: £30,000) and credit note provisions of £105,000 (2022: £45,000).

Management have assessed the probability of default on receivables from subsidiaries, it is not considered that there has been a significant increase in credit risk since the loan was first advanced. Therefore an expected credit loss has not been recognised.

Movement in the allowance for doubtful debts	**Group 2023 £'000**	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
At 1 January	**(159)**	(218)	**(75)**	(2)
Utilisation	**6**	59	**–**	–
Unused amount reversed	**36**	157	**–**	–
Increase in allowance	**(211)**	(157)	**–**	(73)
At 31 December	**(328)**	(159)	**(75)**	(75)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs), which uses a lifetime expected loss allowance for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2023 or 31 December 2022 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, including a review of most recent credit ratings for our key customers. Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period greater than 365 days past due. Trade receivables are measured at amortised cost.

17 Assets classified as held for sale	**Group 2023 £'000**	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Property held for sale at 1 January	**642**	238	**792**	335
Reclassified from property, plant & equipment	**–**	642	**–**	792
Disposals	**(642)**	(238)	**(792)**	(335)
Property held for sale at 31 December	**–**	642	**–**	792

The Group owns several properties which were previously used in its trading business, but are now surplus to its current business needs. Those assets which were currently being marketed for sale and for which a sale was anticipated in the next 12 months were classified as assets held for sale. During the year an asset previously held for sale was disposed, this was part of the UK head office operating segment.

18 Trade and other payables	**Group 2023 £'000**	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Trade payables	**7,681**	7,238	**220**	214
Amounts due to subsidiaries	**–**	–	**5,099**	5,099
Social security and other taxes	**949**	969	**123**	129
Other payables	**686**	442	**67**	60
Accruals	**798**	894	**506**	672
	10,114	9,543	**6,015**	6,174

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 60 days (2022: 44).

19 Deferred taxation

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

	Accelerated tax depreciation £'000	Short-term temporary differences £'000	Fair value gains £'000	Losses £'000	Total £'000
Group					
At 1 January 2022	541	(148)	35	(240)	188
Charge to income	100	(157)	–	(36)	(93)
Charged through other comprehensive income	–	–	(5)	–	(5)
Exchange differences	–	11	–	–	11
At 31 December 2022	641	(294)	30	(276)	101
Charge to income	(81)	402	–	189	510
At 31 December 2023	**560**	**108**	**30**	**(87)**	**611**
Company					
At 1 January 2022	51	(724)	17	–	(656)
Charge to income	4	7	–	(171)	(160)
Charged through other comprehensive income	–	–	(5)	–	(5)
At 31 December 2022	55	(717)	12	(171)	(821)
Charge to income	1	667	–	171	839
At 31 December 2023	**56**	**(50)**	**12**	**–**	**18**

	Group 2023 £'000	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Deferred tax liability	**1,119**	1,395	**18**	–
Deferred tax asset	**(508)**	(1,294)	**–**	(821)
	611	101	**18**	(821)

Deferred tax has been provided at 25% in the UK, country specific rates have been used for overseas subsidiaries. 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.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

Notes to the financial statements continued

20 Borrowings

Borrowings may be analysed as follows:	Group Current liabilities £'000	Group Non-current liabilities £'000	Group Total liabilities £'000	Company Current liabilities £'000	Company Non-current liabilities £'000	Company Total liabilities £'000
At 31 December 2023						
Bank and other loans	2,158	3,542	5,700	301	2,731	3,032
Lease liabilities	1,369	2,808	4,177	–	–	–
Total	**3,527**	**6,350**	**9,877**	**301**	**2,731**	**3,032**
At 31 December 2022						
Bank and other loans	3,674	4,967	8,641	3,165	4,085	7,250
Lease liabilities	1,861	3,776	5,637	–	–	–
Total	5,535	8,743	14,278	3,165	4,085	7,250

Bank and other loans are repayable as follows:	**Group 2023 £'000**	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Bank and other loans				
- within one year	**2,158**	3,674	**301**	3,165
- due after one and within two years	**351**	4,136	**301**	4,085
- due after two and within five years	**2,581**	154	**2,430**	–
- due after five years	**610**	677	**–**	–
	5,700	8,641	**3,032**	7,250

Bank overdraft and other short-term credit facilities are repayable on demand and bear interest at a rate that varies with the local base interest rates. They are secured by charges over certain of the Group's properties. The total of undrawn facilities at 31 December 2023 was £5.1m (2022: £6.1m).

Bank and other loans include £3.9m (2022: £5.5m) of commercial mortgage agreements, which are denominated in Sterling and Danish Krone and the £nil (2022: £2.7m) loan from the Pension Escrow Account (see note 31 for more details) denominated in Sterling. The average remaining term is 3.7 years (2022: 2.9 years). For the year ended 31 December 2023, the average effective borrowing rate was 7.6% (2022: 4.7%). The loans are secured by a charge over certain of the Group's properties. There are financial covenants which apply to some of the bank loans, the Group complied with these throughout the year.

The Group leases certain plant and machinery under finance lease and hire purchase contracts, which are denominated in Sterling, Euros, Danish Krone and Polish Zloty. The average remaining lease term is 3.4 years (2022: 3.9 years). For the year ended 31 December 2023, the average effective borrowing rate was 3.4% (2022: 3.1%). Lease liabilities are secured on the assets to which they relate. The carrying amount of the Group's lease obligations approximates to their fair value.

21 Leasing

Leased assets where the Group is a lessee
Property, plant and equipment includes the following amounts relating to leased assets where the Group is a lessee:

Group	**Group 2023 £'000**	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Right-of-use assets				
Plant and machinery	**6,604**	7,033	**–**	–
	6,604	7,033	**–**	–
Lease liabilities				
Current	**1,369**	1,861	**–**	–
Non-current	**2,808**	3,776	**–**	–
	4,177	5,637	**–**	–

Additions to right-of-use assets during the year amounted to £456,000 (2022: £961,000).

21 Leasing (continued)

The Group income statement includes the following amounts relating to leased assets:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Depreciation charge on right-of-use assets				
Plant and machinery	**1,336**	1,339	**–**	–
	1,336	1,339	**–**	–
Interest expense (see note 4)	**414**	171	**–**	–

Leases are repayable as follows:

	Minimum lease payments		Present value of minimum lease payments	
Group	**2023 £'000**	2022 £'000	**2023 £'000**	2022 £'000
Amounts payable under lease contracts:				
- within one year	**1,450**	1,948	**1,369**	1,861
- after one and within five years	**2,634**	3,423	**2,505**	3,264
- after five years	**314**	526	**303**	512
	4,398	5,897	**4,177**	5,637
Less: future finance charges	**(221)**	(260)		
Present value of lease obligations	**4,177**	5,637		

Sale and leaseback transactions

In the normal course of business, the Group constructs plant and machinery assets over a period of time, typically six to nine months. In some cases after commissioning of the asset, it may be subject to a sale and hire purchase transaction, whereby the Group sells the asset to a finance provider and commits to paying monthly lease rentals for a period of time before re-assuming ownership. In 2023, there was one transaction of this type raising £355,000 (2022: £439,000) before deposit payments. No gain or loss was recognised on this transaction during the period.

Due to the fact that the lessor is a financial institution, these arrangements do not meet the definition of a sale in IFRS 15, and as such, the amounts received from the financial institution are instead accounted for as a financial liability under IFRS 9.

Leased assets where the Group is a lessor

The Group leases various properties to tenants with rentals payable monthly or quarterly in advance. Lease payments for some contracts include RPI/CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Group is exposed to changes in the residual value at the end of the current leases, the Group typically enters into new operating leases and, therefore, will not immediately realise any reduction in residual value at the end of these leases. The Group carrying value of properties subject to operating leases is £3,127,000 (2022: £3,792,000), only part of which is occupied by tenants. Property lease income is disclosed in note 2, and minimum receipts under property leases are disclosed in note 10.

22 Provisions for liabilities

	Post-retirement benefits £'000
Group and Company	
At 1 January 2022	128
Movement in year	(12)
At 31 December 2022	116
Movement in year	**(18)**
At 31 December 2023	**98**

The Group provides medical insurance to certain retired employees and to a Non-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 5.2% per annum, medical cost inflation of 10% per annum and individual life expectancy assumptions. Based on those assumptions, the provision is expected to be utilised over 27 years.

Notes to the financial statements continued

23 Called up share capital	2023 £'000	2022 £'000
Authorised:		
70,000,000 ordinary shares of 0.5p each	**350**	350
Allotted, called up and fully paid (ordinary shares of 0.5p):		
17,687,223 shares (2022: 17,687,223)	**88**	88
Held in Treasury: 933,778 shares (2022: 933,778)	**(4)**	(4)
Net issued share capital: 16,753,445 shares (2022: 16,753,445)	**84**	84

The Company has one class of ordinary share that carries no right to fixed income. There are no special rights or restrictions associated with these ordinary shares. The shares held in treasury arise from the buy-back of shares in 2004 and have not been cancelled as they are being used to satisfy share options and other future issues of shares.

24 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.

25 Risk management objectives and policies

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

Summary of financial assets and financial liabilities by category

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

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Financial assets measured at amortised cost				
Trade receivables	**10,102**	8,975	**158**	148
Other receivables	**313**	70	**74**	14
Amounts due from subsidiaries	**–**	–	**2,916**	3,138
Cash at bank and on hand	**3,576**	5,097	**1,343**	935
	13,991	14,142	**4,491**	4,235
Financial liabilities measured at amortised cost				
Trade payables	**(7,681)**	(7,238)	**(220)**	(214)
Other payables	**(686)**	(442)	**(67)**	(60)
Accrued expenses	**(798)**	(894)	**(506)**	(672)
Amounts due to group undertakings	**–**	–	**(13,596)**	(12,595)
Bank overdrafts	**–**	–	**–**	–
Bank and other loans	**(5,700)**	(8,641)	**(3,032)**	(7,250)
Lease liabilities	**(4,177)**	(5,637)	**–**	–
	(19,042)	(22,852)	**(17,421)**	(20,791)
Net financial assets and liabilities	**(5,051)**	(8,710)	**(12,930)**	(16,556)
Non-financial assets and liabilities	**30,605**	32,652	**24,087**	28,131
Total equity	**25,554**	23,942	**11,157**	11,575

All financial assets and financial liabilities noted in the above table are measured at amortised cost.

Cash at bank and on hand, bank overdrafts and bank and other loans largely attract floating interest rates. Accordingly, management considers that their carrying amount approximates to fair value.

Lease liabilities may attract floating interest rates or fixed interest rates implicit in the lease rentals and their fair value has been assessed relative to prevailing market interest rates, management considers that their carrying amount approximates to fair value.

25 Risk management objectives and policies (continued)

Foreign currency risk

Transaction risk

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

Translation risk

Foreign currency translation risk arises on consolidation in relation to the translation into Sterling of the results and net assets of the Group's non-UK subsidiaries.

The currency profile of net assets was as follows:	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Net assets by currency				
Sterling	**13,763**	8,745	**11,155**	11,449
Polish Zloty	**9,581**	11,162	**1**	2
Danish Krone	**2,404**	4,257	**–**	–
Euro	**(211)**	(185)	**1**	124
Others	**17**	(37)	**–**	–
Total	**25,554**	23,942	**11,157**	11,575

The following table details the Group's sensitivity to a 10% increase and decrease in Sterling against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the period end. A positive number below indicates an increase in profit and other equity where Sterling weakens 10% against the Euro, Polish Zloty and Danish Krone.

	Euro		Polish Zloty		Danish Krone	
Currency impact on financial instruments	**+10%**	**-10%**	**+10%**	**-10%**	**+10%**	**-10%**
Profit or loss for the year	19	(23)	(68)	83	484	(592)
Equity	19	(23)	(68)	83	484	(592)

Interest rate risk

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

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Floating rate				
Bank and other loans:				
- pension escrow loan	**–**	(2,700)	**–**	(2,700)
- commercial mortgages	**(3,032)**	(4,550)	**(3,032)**	(4,550)
- unactivated leases	**(1,808)**	(459)	**–**	–
Lease liabilities	**(1,188)**	(1,922)	**–**	–
Cash at bank and on hand	**3,576**	5,097	**1,343**	935
	(2,452)	(4,534)	**(1,689)**	(6,315)
Fixed rate				
Bank and other loans:				
- commercial mortgages	**(861)**	(932)	**–**	–
Lease liabilities	**(2,988)**	(3,715)	**–**	–
	(3,849)	(4,647)	**–**	–
Total	**(6,301)**	(9,181)	**(1,689)**	(6,315)

Notes to the financial statements continued

25 Risk management objectives and policies (continued)

Interest payable on bank overdrafts and floating rate loans is based on base rates and short-term interbank rates. At 31 December 2023, the weighted average interest rate payable on bank overdrafts was nil% (2022: nil%). At 31 December 2023, the weighted average interest rate payable on bank and other loans was 7.6% (2022: 4.7%). At 31 December 2023, the weighted average interest rate receivable on cash at bank and in hand was nil% (2022: nil%).

On the assumption that a change in market interest rates would be applied to the interest rate exposures that were in existence at the balance sheet date an increase/decrease of 100 basis points in market interest rates would decrease/increase the Group's profit before tax by £60,000 (2022: £96,000), and the Company's profit before tax by £30,000 (2022: £73,000).

Credit risk
Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group has three types of financial assets that are subject to the ECL model: trade receivables, other receivables, and cash at bank and in hand. Disclosure regarding ECLs on trade receivables is provided in note 16. While other receivables and cash at bank and on hand are also subject to the requirements of IFRS 9, the identified impairment loss was immaterial. The Group's cash balances are managed such that there is no significant concentration of credit risk in any one bank or other financial institution. Management monitors the credit quality of the institutions with which it holds deposits. The Group continuously monitors defaults (for debts beyond due date) of customers and incorporates this information into its credit risk controls. External credit ratings and reports on customers are obtained and used. The Group's policy is to deal only with creditworthy customers. The Group's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any counterparty or group of counterparties having similar characteristics.

At 31 December 2023, the maximum exposure to credit risk (excluding intercompany balances in the Company) was as follows:

	Group 2023 £'000	Group 2022 £'000	**Company 2023 £'000**	Company 2022 £'000
Trade and other receivables:				
- Trade receivables	**10,430**	9,134	**233**	223
- Other receivables	**313**	70	**74**	14
	10,743	9,204	**307**	237
Cash at bank and on hand	**3,576**	5,097	**1,343**	935
Total	**14,319**	14,301	**1,650**	1,172

Liquidity risk analysis
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group's borrowing facilities are monitored against forecast requirements and timely action is taken to put in place, renew or replace credit lines. The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. The Group's liabilities have contractual maturities that are summarised below:

	Within one year £'000	**After one and within five years £'000**	**After five years £'000**	**Total £'000**
Group				
At 31 December 2023				
Trade payables	7,681	–	–	7,681
Other financial liabilities	1,484	–	–	1,484
Bank and other loans:				
- principal	2,158	2,932	610	5,700
- interest	6	20	25	51
Minimum lease payments	1,450	2,634	314	4,398
	12,779	**5,586**	**949**	**19,314**

25 Risk management objectives and policies (continued)

	Within one year £'000	After one and within five years £'000	After five years £'000	Total £'000
Group				
At 31 December 2022				
Trade payables	7,238	–	–	7,238
Other financial liabilities	1,336	–	–	1,336
Bank and other loans:				
- principal	3,674	4,290	677	8,641
- interest	6	22	30	58
Minimum lease payments	1,948	3,423	526	5,897
	14,202	7,735	1,233	23,170

	Within one year £'000	After one and within five years £'000	After five years £'000	Total £'000
Company				
At 31 December 2023				
Trade payables	220	–	–	220
Other financial liabilities	573	–	–	573
Bank and other loans:				
- principal	301	2,731	–	3,032
- interest	–	–	–	–
Amounts owed to subsidiaries	5,099	–	8,497	13,596
	6,193	**2,731**	**8,497**	**17,421**
Company				
At 31 December 2022				
Trade payables	214	–	–	214
Other financial liabilities	732	–	–	732
Bank and other loans:				
- principal	3,165	4,085	–	7,250
- interest	–	–	–	–
Amounts owed to subsidiaries	5,099	–	7,496	12,595
	9,210	4,085	7,496	20,791

Notes to the financial statements continued

26 Group capital and net debt

The Group's capital comprises total equity and net debt. The Group's capital management objectives are:

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

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

The Group's capital was as follows:	**2023 £'000**	2022 £'000	2021 £'000
Total equity	**25,554**	23,942	21,670
Net debt	**6,301**	9,181	13,127
Capital	**31,855**	33,123	34,797
Gearing (average net debt / average capital)	**24%**	33%	23%

Movements in Group net debt were as follows:

	At 31 December 2022 £'000	Exchange movements £'000	Non-cash movement £'000	Cash flows £'000	At 31 December 2023 £'000
Cash at bank and on hand	5,097	105	–	(1,626)	3,576
Bank and other loans	(8,641)	22	2,700	219	(5,700)
Lease liabilities	(5,637)	7	(375)	1,828	(4,177)
Net debt	(9,181)	134	2,325	421	(6,301)

	At 31 December 2021 £'000	Exchange movements £'000	Non-cash movement £'000	Cash flows £'000	At 31 December 2022 £'000
Cash at bank and on hand	2,775	57	–	2,265	5,097
Bank and other loans	(9,651)	(51)	–	1,061	(8,641)
Lease liabilities	(6,251)	(177)	(923)	1,714	(5,637)
Net debt	(13,127)	(171)	(923)	5,040	(9,181)

Movements in Company net debt were as follows:

	At 31 December 2022 £'000	Exchange movements £'000	Non-cash movement £'000	Cash flows £'000	At 31 December 2023 £'000
Cash at bank and on hand	935	(56)	–	464	1,343
Bank and other loans	(7,250)	–	2,700	1,518	(3,032)
Net debt	(6,315)	(56)	2,700	1,982	(1,689)

	At 31 December 2021 £'000	Exchange movements £'000	Non-cash movement £'000	Cash flows £'000	At 31 December 2022 £'000
Cash at bank and on hand	319	3	–	613	935
Bank and other loans	(8,700)	–	–	1,450	(7,250)
Net debt	(8,381)	3	–	2,063	(6,315)

27 Capital commitments	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Contracted but not provided in these financial statements	714	1,842	–	–

28 Assets pledged as security

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

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Current				
Floating charge:				
- Cash and cash equivalents	2,727	2,884	1,343	935
- Trade and other receivables	5,887	6,009	367	497
First mortgage:				
- Assets classified as held for sale	–	642	–	792
Total current assets pledged as security	8,614	9,535	1,710	2,224
Non-current				
First mortgage:				
- Land and buildings	3,543	3,592	2,067	2,131
- Surplus properties	2,769	2,769	5,290	5,290
	6,312	6,361	7,357	7,421
Lease liabilities:				
- Plant and equipment	6,604	7,033	–	–
	6,604	7,033	–	–
Floating charge:				
- Plant and equipment	4,802	3,838	19	28
	4,802	3,838	19	28
Total non-current assets pledged as security	17,718	17,232	7,376	7,449
Total assets pledged as security	26,332	26,767	9,086	9,673

Notes to the financial statements continued

29 Contingent liabilities

There were contingent liabilities at 31 December 2023 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 2023 was £1,314,000 (2022: £1,922,000). The Directors have considered the fair value of the cross guarantee and do not consider this to be significant.

30 Related parties

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

	2023 £'000	2022 £'000
Charges by the Company to its subsidiaries:		
– Rent	**442**	577
– Management charges	**700**	921
– Interest	**–**	–
Other charges (including costs incurred by the Company on behalf of its subsidiaries and subsequently recharged to them)	**7,492**	7,055
	8,634	8,553
Charges by the subsidiaries to the Company (mainly costs incurred by them on behalf of the Company and recharged to it)	**35**	140
Net balances due from subsidiaries outstanding at the year end	**6,134**	9,522

£8,423,000 of the net charges in 2023 related to UK subsidiaries (2022: £8,207,000).

Note 29 discloses cross guarantees between the Company, its subsidiaries and finance providers in relation to bank overdrafts and leases. This is considered to have minimal value.

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

Post-employment benefit plans
Contributions amounting to £2,000 (2022: £12,000) were payable by the Company to a pension plan established for the benefit of its employees. At 31 December 2023, £nil (2022: £1,000) in respect of contributions due was included in other payables. An amount of £2,700,000 previously loaned to the Company was cancelled on return of the Pension Escrow Funds to the Company. In 2023, Robinson plc incurred and recharged expenses of £71,000 (2022: £63,000) on behalf of the pension plan and charged £52,000 (2022: £33,000) in respect of administration services provided to the plan.

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

	2023 £'000	2022 £'000
Short-term employee benefits	**811**	664
IFRS 2 share option charge	**19**	41
	830	705

31 Employee benefit obligations

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

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

31 Employee benefit obligations (continued)

The Plan's assets are held separately from the Group in a trust fund. The fund is looked after by Trustees on behalf of the members. The assets are invested to meet the benefits promised. Under the normal course of events, actuarial valuations are undertaken every three years to confirm whether the assets are expected to be sufficient to provide the benefits. If there is a shortfall, a recovery plan is put in place under which the Group is required to pay additional contributions over a period of time, as agreed with the Trustees. The last triennial actuarial valuation was at 5 April 2020, which indicated the fund was in deficit. The funding position was reassessed based on rolled forward asset values and market conditions as of 30 October 2020, the date of signing the recovery plan. The scheme at that date had a funding surplus. The Trustees and the Company have therefore agreed that the Company is not required to pay contributions. The next full valuation is due as at 5 April 2023, and is due for completion within 15 months of that date.

In December 2022, the Plan completed a buy-in of all the pension liabilities. Following completion, the Plan's liabilities are matched by an insurance policy and the Group no longer bears any investment longevity, inflation or interest rate risk associated with the Plan. As the Group was already benefitting from a contribution holiday there was no immediate benefit to cashflow from the buy-in transaction. A data cleanse exercise was completed, the administration and payroll functions were handed over to Legal and General Assurance Society Limited ("L&G") from 1 August 2023 and a final balancing payment of £0.1m, was made by L&G to the Plan on 19 February 2024, completing the buy-in process. The surplus remaining in the Plan, currently £3.5m, will be used to augment member benefits.

The accounting disclosures are based on different assumptions from the Plan's funding assumptions. This is because:
i) the funding and accounting valuations may be carried out at different dates and so are based on different market conditions; and
ii) the funding assumptions are determined by the Trustees who must include margins for prudence. The accounting assumptions are determined by the Group Directors in accordance with accounting standards, which are different from funding regulations.

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

Amounts recognised in statement of financial position	**2023 £'000**	2022 £'000
Fair value of plan assets	**45,195**	46,585
Liability value (present value of funded obligation)	**(41,640)**	(39,560)
Surplus	**3,555**	7,025
Unrecognised assets due to asset ceiling	**(3,555)**	(7,025)
Net asset	**–**	–

The main reason for the deterioration in the balance sheet position since last year is that during the year, the Company reached agreement with the trustees of the Scheme for the funds held in the pension escrow account, totalling c.£3.3m, to be returned to the Group (of which, £2.7m was already loaned to the Company).

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

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

Change in funded defined benefit obligation (DBO)	**2023 £'000**	2022 £'000
DBO at beginning of year	**39,560**	55,852
Service cost	**20**	118
Interest on DBO	**1,829**	1,038
Employee contributions	**2**	12
Past service costs	**145**	-
Remeasurement - actuarial loss/(gain) from financial items	**3,264**	(15,916)
Remeasurement - actuarial (gain)/loss from demographic items	**(257)**	1,030
Benefits paid	**(2,923)**	(2,574)
DBO at end of year	**41,640**	39,560

Notes to the financial statements continued

31 Employee benefit obligations (continued)

Change in Plan assets	2023 £'000	2022 £'000
Fair value at beginning of year	**46,585**	69,051
Employee contributions	**2**	12
Interest income on Plan assets	**2,164**	1,287
Impact of interest on asset ceiling	**(335)**	(249)
Remeasurement – actuarial loss	**(174)**	(20,880)
Benefits paid	**(2,923)**	(2,574)
Expenses paid	**(124)**	(62)
Fair value at end of year	**45,195**	46,585

Asset return	2023 £'000	2022 £'000
Interest income on Plan assets (expected return)	**2,164**	1,287
Impact of interest on asset ceiling	**(335)**	(249)
Remeasurement – actuarial loss	**(174)**	(20,880)
Actual return on Plan assets	**1,655**	(19,842)

The following amounts were recognised in the income statement:

Income statement	2023 £'000	2022 £'000
Current service cost	**20**	118
Expenses	**124**	62
Net interest cost	**(335)**	(249)
Impact of interest on the asset ceiling	**335**	249
Past service costs due to plan amendments/curtailments/settlements	**145**	–
Total cost recognised in the income statement	**289**	180
The following amounts were recognised in the statement of other comprehensive income:		
Remeasurement DBO – actuarial loss/(gain) from financial items	**3,264**	(15,916)
Remeasurement DBO – actuarial (gain)/loss from demographic items	**(257)**	1,030
Remeasurement Plan assets – actuarial loss on assets	**174**	20,880
Effect of asset limitation and minimum funding requirement	**(3,470)**	(6,174)
Total gain not recognised in other comprehensive income	**(289)**	(180)
Cumulative actuarial losses recognised in other comprehensive income	**10,823**	11,112
Reconciliation of prepaid/(accrued) pension cost		
Net periodic pension cost	**289**	180
Impact of limit on net assets	**(3,470)**	(6,174)
Remeasurements – actuarial losses not recognised in other comprehensive income	**3,181**	5,994
Prepaid/(accrued) at end of year (IAS)	**–**	–
Change in asset ceiling + additional liability IFRIC14		
Asset not recognised at beginning of year	**7,025**	13,199
Changes in unrecognised asset due to asset ceiling	**(3,470)**	(6,174)
Asset not recognised at end of year	**3,555**	7,025

31 Employee benefit obligations (continued)

Key assumptions used were:	2023 Weighted average	2022 Weighted average	2023	2022
Discount rate at beginning of year	**4.80%**	1.9%		
Discount rate at end of year	**4.34%**	4.8%	**4.8%**	4.8%
RPI inflation			**3.18%**	3.1%
CPI inflation			**2.18%**	2.1%
Salary inflation			**n/a**	3.4%
Expected return on assets	**4.34%**	4.8%	**4.34%**	4.8%
Mortality (average)			**S3PXA**	S3PXA
Mortality improvements			**CMI2022[1%]**	CMI2020[1%]

The average life expectancy of a pensioner is as follows:	2023	2022
Life expectancy of 45 year old man at the age of 65 years	**22.4**	22.9
Life expectancy of 45 year old woman at the age of 65 years	**25.0**	25.5
Life expectancy of 65 year old man at the age of 65 years	**21.5**	22.0
Life expectancy of 65 year old woman at the age of 65 years	**23.9**	24.3

Sensitivity to assumptions

Following the purchase of the buy-in policy, any change to the assumptions used in the disclosures would impact the insured liability and insured asset by the same amount. As such, there is no impact on the surplus as a result of changing the assumptions.

Pension Escrow Account

Following the actuarial valuation carried out in April 2002, it was clear that there was no need for the employer to pay contributions into the Plan for existing members. The Group had nonetheless paid employer contributions set aside in the Group's financial statements since the actuarial valuation in April 2002, together with money purchase contributions between 2005 and 2017, into an escrow account.

It was previously considered likely that the escrow account funds would be returned to the Plan, and therefore, in 2022 it was disclosed as an asset of the Plan. Following the purchase of the buy-in policy, the Company reached agreement with the trustees of the Plan for the funds held in the escrow account, totalling c.£3.3m, to be returned to the Group (of which, £2.7m was already loaned to the Company).

Asset class allocation

The major categories of Plan assets are as follows:	2023	2022
Annuities	**92.1%**	84.9%
Other	**–**	7.0%
Cash	**7.9%**	8.1%
	100%	100%
Weighted average duration of the Plan (years)	**11**	12
Expected contributions in the following period	**–**	–

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

Risk exposure

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

Asset volatility

The Plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if Plan assets underperform this yield, this will create a deficit. The Plan now holds the majority of its asset investments in an annuity policy, movements in the discount rate will largely be matched by movements in the value of the policy. The Group remains exposed to asset volatility in its cash investments.

Notes to the financial statements continued

31 Employee benefit obligations (continued)

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

Interest & Inflation risks
The Plan is exposed to interest and inflation rate risks. The Plan investment in an annuity policy hedges the risk to funding associated with the impact of changes in long-term interest rates and inflation expectations on the Plan's technical provisions.

Life expectancy
The Plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the Plans' liabilities. This risk is hedged by the Plans' investment in an annuity policy.

32 Share-based payments

During the year ended 31 December 2023, the Group had five share-based payment arrangements under two schemes. There were no options granted during the year.

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

The Incentive Plan 2016 is part of the remuneration package of the Executive Directors and other senior managers of the Company. Options under this scheme will vest in accordance with a timescale over 36 or 60 months if certain performance criteria are met. Upon vesting, each option allows the holder to purchase one ordinary share at the stated price. If the option holder leaves the employment of the Company, the option is forfeited.

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

A reconciliation of option movements over the year to 31 December 2023 is shown below:

	EMI Plan 2004	Weighted average price (p)	Incentive Plan 2016	Weighted average price (p)
Outstanding at 31 December 2021	67,494	202.0	733,000	120.6
Outstanding at 31 December 2022	67,494	202.0	733,000	120.6
Lapsed	–		(600,000)	(118.5)
Outstanding at 31 December 2023	**67,494**	**202.0**	**133,000**	**130.0**
Exercisable at 31 December 2023	**67,494**	**202.0**	**133,000**	**130.0**
Exercisable at 31 December 2022	67,494	202.0	133,000	130.0

The range of exercise prices for options outstanding at the end of the period is 118.5p to 202.0p. The weighted average contractual life of options at the end of the period is 2.3 years (2022: 6.5 years).

The total charge in the year ended 31 December 2023 relating to employee share-based payment plans, in accordance with IFRS 2, was £19,000 (2022: £45,000). All of which was related to equity-settled share-based payment transactions.

33 Contingent asset

There was a contingent asset at 31 December 2023 in relation to the Pension Escrow Account of £nil (2022: £3,244,000). The Company reached agreement with the trustees of the Plan for the funds held in the escrow account to be returned to the Group, of which £2,700,000 was already loaned to the Company. This has been recognised as income through the Group Statement of Comprehensive Income. Further details are provided in note 31.

34 Accounting policies

Robinson plc is a company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The consolidated and Company financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. All standards and interpretations that have been issued and are effective at the year end have been applied in the financial statements. The financial statements have been prepared under the historical cost convention adjusted for the revaluation of certain properties.

Consolidation

The Group's financial statements consolidate the financial statements of Robinson plc and all its subsidiaries. Subsidiaries are consolidated from the date on which control transfers to the Group and are included until the date on which the Group ceases to control them. Transactions and year end balances between Group companies are eliminated on consolidation. All entities have coterminous year ends. The Group obtains and exercises control through voting rights. Investments in subsidiary undertakings are accounted for in accordance with IAS 27 Separate Financial Statements and IFRS 10 Consolidated Financial Statements and are recognised at cost less impairment.

Revenue

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

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 other comprehensive income. All other exchange differences arising on monetary items are dealt with through the consolidated income statement. On disposal of a foreign subsidiary the accumulated exchange differences in relation to the operation are reclassified into the income statement.

Exceptional items

Exceptional items are material either individually or, if of a similar type, in aggregate and which, due to their nature, being outside the normal course of business or the infrequency of the events giving rise to them, are presented separately to assist users of the financial statements in assessing the underlying trading performance and trends of the Group's businesses either year-on-year or with other businesses.

Examples of exceptional items include, but are not limited to, the following:

- restructuring and other expenses relating to the integration of an acquired business and related expenses for reconfiguration of the Group's activities;
- gains/losses on disposals of businesses;
- acquisition-related costs, including adviser fees incurred for significant transactions, and adjustments to the fair values of assets and liabilities that result in non-recurring charges to the income statement;
- Profit/loss on disposal of material property, plant and equipment; and
- costs arising because of material and non-recurring regulatory and litigation matters.

Notes to the financial statements continued

34 Accounting policies (continued)

Property, plant, and equipment

Property, plant, and equipment are stated at cost less a provision for depreciation and impairment losses. Depreciation is calculated to write off the cost less estimated residual values of the assets in equal instalments over their expected useful lives. No depreciation is provided on freehold land or surplus properties. Surplus properties are stated at cost; they are not being depreciated as they are surplus and not currently in use and the value is therefore not being consumed. Depreciation is provided on other assets at the following annual rates:

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

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

Assets under construction are not depreciated until they are ready for use.

Inventories

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

Trade and other receivables

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

Investments

Fixed asset investments in subsidiaries are shown at cost less provision for impairment.

Cash and cash equivalents

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

Trade and other payables

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

Borrowings

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

34 Accounting policies (continued)

Taxation

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

Deferred taxation is provided on taxable and deductible temporary differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised or that they will reverse. Deferred tax is measured using the tax rates expected to apply when the asset is realised, or the liability settled based on tax rates enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability on the reporting date differs from its tax base except for differences arising on investments in subsidiaries where the Group can control the timing of the reversal of the difference, and it is probable that the difference will not reverse in the foreseeable future. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged directly to other comprehensive income (such as the revaluation of land or relating to transactions with owners) in which case the related deferred tax is also charged or credited directly to other comprehensive income. Current tax is the tax currently payable on taxable profit for the year.

Employee benefits

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

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's interest in the fair value of identifiable assets (including intangible assets) and liabilities of the business acquired. Goodwill is not amortised but is reviewed for impairment at least annually. On the disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill recorded in foreign currencies is retranslated at each period end. Any movements in the carrying value of goodwill as a result of foreign exchange rate movements are recognised in the Statement of comprehensive income.

Other intangible assets

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

Impairment of non-financial assets

Goodwill, other intangible assets and property, plant and equipment are tested for impairment whenever events or circumstances indicate that their carrying amounts may not be recoverable. Additionally, goodwill is subject to an annual impairment test whether or not there are any indicators of impairment. An asset is impaired to the extent that its carrying amount exceeds its recoverable amount, which represents the higher of the asset's value-in-use and its fair value less costs of disposal. An asset's value-in-use represents the present value of the future cash flows expected to be derived from the continued use of the asset. Fair value less costs of disposal is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. Goodwill does not generate cash flows independently of other assets and is, therefore, tested for impairment at the level of the CGU or group of CGUs to which it is allocated. Value-in-use is based on estimates of pre-tax cash flows discounted at a pre-tax discount rate that reflects the risks specific to the CGU to which the asset belongs. Impairment losses are recognised in profit or loss. Impairment losses recognised in previous years for assets other than goodwill are reversed if there has been a change in the estimates used to determine the asset's recoverable amount, but only to the extent that the carrying amount of the asset does not exceed its carrying amount had no impairment been recognised in previous years. Impairment losses recognised in respect of goodwill cannot be reversed.

Notes to the financial statements continued

34 Accounting policies (continued)

Leased assets

The Group as a lessee

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

The lease liability is initially measured at the present value of the lease payments not paid at that date. Lease payments are discounted using the Group's incremental borrowing rate or the rate implicit in the lease contract. The lease liability is subsequently remeasured to reflect lease payments made.

Short-term and low-value leases are recognised in profit or loss on a straight-line basis over the term of the lease.

The Group as a lessor

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Land & buildings

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their deemed cost, being the fair value at the date of transition to IFRS less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any revaluation increase arising on the revaluation of such land and buildings prior to deemed cost being adopted was credited to the properties revaluation reserve, except to the extent that it reversed a revaluation decrease for the same asset previously recognised as an expense, in which case the increase was credited to the income statement to the extent of the decrease previously expensed. A decrease in carrying amount arising from the revaluation of such land and buildings was charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued buildings is charged to income. On the subsequent sale or scrappage of a previously revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Surplus properties

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

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

34 Accounting policies (continued)

Share-based payments

The fair value at the date of grant of share options is calculated using the Black Scholes pricing model and charged to the income statement on a straight-line basis over the vesting period of the award. The charge to the income statement takes account of the estimated number of share options that will vest. The corresponding credit to an equity settled share-based payment is recognised in equity. If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period based on the best-available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different from those estimated on vesting. Further details are given in the Directors' report.

Going concern

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

The Group holds £3.9m of commercial mortgages which are committed to at least March 2026, and £5.1m of other short-term facilities that are to be renewed annually. The Group will meet its day-to-day working capital requirements through its short-term credit facilities of £5.1m. The forecasts used to assess the going concern assumption were approved by the Board. As a result of the ongoing market uncertainty including the cost-of-living crisis and the conflict in Ukraine, the Directors have performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months from the date of approval of these financial statements. This involves assessing the headroom against available credit facilities and financial covenants in a stressed scenario, the assumptions used for this test are as follows:

- 5% reduction in planned revenues;
- 1% reduction in planned gross margins;
- 5% increase in planned fixed costs;
- suspension of dividend payments to shareholders; and
- continued availability of existing credit facilities from the Group's finance providers.

The following actions and events haven't been included in the assumptions but would improve headroom against facilities:

- a moratorium on uncommitted, non-essential capital expenditure; and
- future sales of surplus property.

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

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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

Critical judgements

1) Non recognition of the pension asset

The Plan's assets are held separately from the Group in a trust fund. The fund is looked after by Trustees on behalf of the members. The last triennial actuarial valuation was at 5 April 2020, which indicated the fund was in deficit. The funding position was reassessed based on rolled forward asset values and market conditions as of 30 October 2020. The scheme at that date had a funding surplus. The surplus is not recognized in the Group balance sheet, on the basis that future 'economic benefits' are not available in the form of reduced future contributions or a cash refund.

Notes to the financial statements continued

34 Accounting policies (continued)

Key sources of estimation uncertainty

1) Pensions and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits 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 level of uncertainty has reduced during the year following the purchase of a buy-in contract. 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 31.

2) Impairment of goodwill and other intangible assets

The Group tests goodwill, intangible assets and property, plant and equipment annually for impairment, or more frequently if there are indications that an impairment may be required. Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Further details on this process are set out in note 11.

Amendments to IFRSs that are mandatorily effective for the current year

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

	Effective date – periods beginning on or after
IFRS 17 *Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)*	1 January 2023
Amendments to IAS 1 *Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies*	1 January 2023
Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 12 Income Taxes— International Tax Reform — Pillar Two Model Rules	1 January 2023
Amendments to IAS 8 *Accounting Polices, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates*	1 January 2023

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

	Effective date – periods beginning on or after
Amendments to IAS 1 - *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to IAS 1 - *Non-current Liabilities with Covenants*	1 January 2024
Amendments to IAS 7 and IFRS 7 - *Supplier Finance Arrangements*	1 January 2024
Amendments to IFRS 16 - *Lease Liability in a Sale and Leaseback*	1 January 2024

Comment on standards effective from 1 January 2023

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Independent auditor's report to the members of Robinson plc

Opinion

We have audited the financial statements of Robinson Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise group income statement and statement of comprehensive income, the group and company statement of financial position, the group and company statement of changes in equity and notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- 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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to SME listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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

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

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

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. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
The group's accounting policy in respect of revenue recognition is set out in the accounting policy notes on page 69. A segmental analysis of revenue is presented in Note 1 of the financial statements. Revenue is a material balance for Robinson PLC and represents the largest balance in the group income statement and therefore, requires significant audit effort. The transactional value around the year end is also material. An error in this balance could significantly affect users' interpretation of the financial statements. There is a risk of fraud or error in revenue recognition due to the potential to inflate revenues in the current period. We therefore consider revenue cut-off to be a key audit matter.	**Our response** Our procedures over revenue recognition included, but were not limited to: • Obtaining an understanding of the processes and controls over the recognition of revenue and performing walkthrough procedures to validate that controls were appropriately designed and implemented. • Substantive testing of a sample of revenue transactions around the year end to ensure they were accounted for in the correct period and in accordance with the revenue accounting policy and the terms and condition of sale. • Performing a review of a sample of material cash receipts pre and post year end to provide additional comfort that revenue around the year end was appropriately recognised in the correct period. • Work undertaken by component auditors was reviewed by the Group audit team to ensure that sufficient and appropriate evidence had been obtained over revenue recognition and procedures performed had been completed appropriately and in line with group audit instructions which are consistent with those described above. **Our observations** Our work, and that of the component auditors, performed in relation to controls over the recognition of revenue confirmed that the controls in place were designed and implemented effectively. Based on our work, and that of the component auditors, performed on transactions around the year end revenue was appropriately recognised in the correct period.

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

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

Group materiality

Overall materiality	£744,000
How we determined it	The overall materiality level has been determined with reference to a benchmark of Group revenue.
Rationale for benchmark applied	In our view, revenue is the most relevant measure of the underlying performance of the group and therefore, has been selected as the materiality benchmark. The percentage applied to this benchmark is 1.5%.

Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £521,000, which represents 80% of overall materiality. In determining performance materiality, we considered the following factors: • The financial reporting process and significant journal adjustments; • The strength of the control environment; • The transparency and quantity of transactions; • Whether errors have been detected in prior audits, and whether they have been recurring; and • Whether management have previously been willing to correct errors.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £22,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Parent company materiality

Overall materiality	£392,000
How we determined it	The overall materiality level has been determined with reference to a benchmark of its net assets.
Rationale for benchmark applied	In our view, net assets are the most relevant measure of the underlying performance of the company, given the nature of the operations of the company and therefore, has been selected as the materiality benchmark. The percentage applied to this benchmark is 3.00%.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £274,000, which represents 80% of overall materiality. In determining performance materiality, we considered the following factors: • The financial reporting process and significant journal adjustments; • The strength of the control environment; • The transparency and quantity of transactions; • Whether errors have been detected in prior audits, and whether they have been recurring; and • Whether management have previously been willing to correct errors.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £8,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

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

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, Robinson Plastic Packaging Limited, Robinson Paperbox Packaging Limited, Robinson (Overseas) Limited and Portland Works Limited within the group were subject to full scope audit performed by the group audit team. Robinson Packaging Polska SP z.o.o and Robinson Danmark A/S were

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

also subject to a full scope audit undertaken by component auditors, Mazars Poland and Deloitte Denmark respectively. The group audit team directed and reviewed the work of the component auditor to gather sufficient and appropriate evidence in order to support the opinion on the consolidated financial statements.

At the parent company level, the group audit team 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 38, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

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

Use of the audit report

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

Alistair Wesson (Senior Statutory Auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
58 The Ropewalk
Nottingham
NG1 5DW

Date: 21 March 2024

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Robinson plc (Company) will be held at Peak Edge Hotel, Darley Road, Stone Edge, Chesterfield S45 0LW on Thursday 9 May 2024 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 the Company's annual accounts and the strategic, directors' and auditor's reports for the year ended 31 December 2023.
2. To declare a final dividend for the year ended 31 December 2023 of 3p per ordinary share in the capital of the Company, to be paid on 21 June 2024 to shareholders whose names appear on the register at the close of business on 7 June 2024.
3. To reappoint Alan Raleigh as a Director of the Company who retires by rotation.
4. To reappoint Mike Cusick as a Director of the Company who retires by rotation.
5. To reappoint 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,

Mike Cusick
Director
10 April 2024

Registered Office: Field House, Wheatbridge, Chesterfield, Derbyshire, S40 2AB
Registered in England and Wales No. 00039811

Notes

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. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.

A Form of Proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.

To be valid, Forms of Proxy must be deposited at the Registered Office of the Company not less than 11.30 am on 7 May 2024 (or if the meeting is adjourned, not less than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the adjourned meeting).

A member which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

Only those members in the register of members of the Company as at close of business on 7 May 2024 or, if the meeting is adjourned, in the register of members as at close of business on the date which is two working days before the date of any adjourned meeting, shall be entitled to attend and 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 that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.

Voting on all resolutions will be on a show of hands unless a poll is duly requested.

The following documents will be available for inspection during normal business hours at the Registered Office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends:

1. Copies of the service contracts of the executive directors.
2. Copies of the letters of appointment of the non-executive directors.

Biographical details of all those directors who are offering themselves for reappointment at the meeting are set out on page 28 of the annual report and accounts.

Form of proxy

For use at the Annual General Meeting of Robinson plc (Company) convened for 9 May 2024 and any adjournments thereof.

I/We, (see note 1) (block capitals please)

(name)

of

(address)

being a member of Robinson plc hereby appoint the Chairman of the Meeting* or (see note 2)

or (see note 2) failing him/her (name/address)

(name/address)

as my/our proxy to attend and vote in my/our name(s) and on my/our behalf at the Annual General Meeting of the Company to be held at Peak Edge Hotel, Darley Road, Stone Edge, Chesterfield S45 0LW at 11.30 am on 9 May 2024 and at any adjournment thereof.

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

Resolutions:

1. To receive the Directors' report and financial statements for the year ended 31 December 2023	* For	* Against	* Withheld
2. To declare a final dividend of 3p per ordinary share	* For	* Against	* Withheld
3. To reappoint Alan Raleigh as a Director	* For	* Against	* Withheld
4. To reappoint Mike Cusick as a Director	* For	* Against	* Withheld
5. To reappoint Mazars LLP as auditor of the Company and to authorise the Directors to determine their remuneration	* For	* Against	* Withheld

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

Signature(s):

Dated:

Notes

1. The names of all registered holders should be stated in block capitals.
2. If it is desired to appoint a proxy other than the Chairman of the meeting, his/her name and address should be inserted, the reference to the Chairman deleted and the alteration initialled.
3. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his or her stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting if they wish to. If a member does attend the meeting in person, their proxy appointments will be automatically terminated.
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. In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by its duly authorised officer, attorney or other person authorised to sign.
6. 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.
7. To be valid, Forms of proxy must be deposited at the Registered Office of the Company, Field House, Wheatbridge, Chesterfield S40 2AB, no later than 11.30 am on 7 May 2024 (or, if the meeting is adjourned, not less than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the adjourned meeting).

Annual General Meeting attendance form

Annual General Meeting
Thursday 9 May 2024

The Board very much hopes that you will be able to attend this year's Annual General Meeting, which will be held at Peak Edge Hotel, Darley Road, Stone Edge, Chesterfield S45 0LW at 11:30 am on 9 May 2024.

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

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

Thank you and we look forward to seeing you.

From:

Full Name in CAPITALS please

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

Please tick the appropriate boxes.

Signature

Date

Please return this form to:

Mike Cusick
Robinson plc
Field House
Wheatbridge
Chesterfield
S40 2AB
UK

Directors and Advisors

Directors
Alan Raleigh Non-executive Chairman
Sara Halton Non-executive Director and Interim Chief Executive
Guy Robinson Non-executive Director
Helene Roberts Chief Executive (resigned 1 September 2023)
Mike Cusick Finance Director

Registered Office
Field House, Wheatbridge, Chesterfield, S40 2AB

Nominated Adviser/Broker
Cavendish Capital Markets Limited 1 Bartholomew Close, London, EC1A 7BL

Solicitor
DLA Piper UK LLP 1 St Paul's Place, Sheffield, S1 2JX

Auditor
Mazars LLP Park View House,
58 The Ropewalk, Nottingham NG1 5DW

Tax Adviser
Azets 12 Kings Street, Leeds, LS1 2HL

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

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