Progress in Action

Annual report 2022

ROBINSON

Welcome to the Robinson Group Annual report 2022

After two very challenging years, in 2022 we have seen further headwinds impact the economic recovery.

The war in Ukraine led to a humanitarian crisis and sharp increases in energy prices in Europe which had a substantial effect on many businesses, including Robinson.

The volatility in demand from our customers continued with the effects of inflation and the cost-of-living crisis impacting consumers. Energy prices soared to record highs and labour availability and retention remained difficult, both issues increased the operational costs of our business.

As a business, we are proud that despite the difficulties we faced during the year, we were able to increase profit, achieve property sales, consolidate our UK plastics factories onto one site and work with the defined benefit pension scheme trustees to deliver a buy-in contract for the scheme. These achievements show progress against our strategy, which we will continue to drive to ensure we deliver value for our shareholders in 2023 and beyond.

In these very difficult times, we would like to pay tribute to our employees for their continued commitment and excellent contribution during the year. We will continue to work hard to provide support to our employees as they face the pressures of the current economic climate and increases in the cost-of-living.

Sustainability is an integral part of the Robinson strategy and we have continued progress towards our goals in the year. We have increased the level of recycled material in our packaging, reduced our use of virgin plastic by more than ten percent and from 2023 will have successfully phased out non-recyclable polymers and colourants.

Contents

Our year in review

Sales increased to £50.5m
(2021: £46.0m)

Gross margin stable at 17%
(2021: 17%)

Adjusted EBIT* increased to £2.0m
(2021: £1.2m)

£2.5m invested in net capital expenditure**
(2021: £3.9m)

Dividend paid in the year 5.5p
(2021: 5.5p)

Completed defined benefit pension scheme buy-in

Property proceeds of £3.5m received

Five year summary

	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000
Revenue	32,802	35,085	37,203	45,954	**50,529**
Gross profit	5,884	7,492	8,566	7,750	**8,764**
% of revenue	18%	21%	23%	17%	**17%**
Operating costs	(4,370)	(4,971)	(5,878)	(6,525)	**(6,731)**
Operating profit before exceptional items and amortisation of intangible assets	1,514	2,521	2,688	1,225	**2,033**
Exceptional items	110	-	-	(43)	**1,714**
Amortisation of intangible asset	(783)	(810)	(809)	(957)	**(947)**
Operating profit	841	1,711	1,879	225	**2,800**
Net finance costs	(156)	(205)	(127)	(373)	**(507)**
Profit/(loss) before taxation	685	1,506	1,752	(148)	**2,293**
Taxation	10	(296)	(343)	176	**51**
Dividends	(890)	(890)	(890)	(898)	**(898)**
Retained profit/(loss)	(195)	320	519	(870)	**1,446**
Net assets excluding pension asset after deduction of related deferred tax	22,928	22,923	23,404	21,670	**23,942**
Depreciation	1,795	1,960	2,164	2,963	**3,151**
EBITDA (earnings before interest, tax, depreciation and amortisation)	3,419	4,481	4,852	4,145	**6,898**
Capital expenditure	4,355	1,726	4,956	3,991	**2,584**
Net debt	8,845	6,946	6,865	13,127	**9,181**
Operating profit % of revenue	3%	5%	5%	0%	**6%**
Return on capital employed %	5%	7%	8%	4%	**6%**
Basic earnings per share	4.2p	7.3p	8.5p	0.2p	**14.0p**

* Operating profit before amortisation of intangible assets and exceptional items
** Net capital expenditure on plant and equipment, excluding operating leases capitalised under IFRS 16

Chairman's statement

Robinson made good progress in 2022. We were able to improve profits, achieve a surplus property sale, consolidate our UK plastics operations and with the support of the pension trustees, move closer to a full buy-out of the scheme liabilities. I look forward to building on these foundations and delivering sustainable long-term value for our shareholders.

Alan Raleigh | Chairman

In common with many businesses across the Fast-Moving Consumer Goods (FMCG) Supply Chain, Robinson continued to experience very challenging conditions through 2022, as the input price inflation already evident was exacerbated by the Russian invasion of Ukraine in February. Customer demand remained volatile with the effects of inflation and the cost-of-living crisis impacting consumers and creating demand uncertainty.

The Group performed strongly in the first half of the year as the strategic supply partnership with Unilever in Denmark had a substantial positive effect on sales. Our actions to recover cost increases through increased selling prices across the Group largely mitigated the impact of increased input costs on margins. Our strategic choice to build a strong base of high-quality Blue-Chip customers with strong brands or market positions also provided some buffer to the effects of the cost-of-living crisis on sales revenues.

In the second half of the year, sales were under increased pressure as the cost-of-living crisis deepened and customer volumes softened as a result. The difficult economic environment coupled with inflation at 11.5% in the twelve months to December, resulted in customers pruning their portfolio and again delaying innovation projects.

Despite these market challenges, Robinson has won significant new business in the year that confirms our investment in capabilities, our responsive culture and our focus on providing cost-effective supply is providing a competitive advantage.

We have continued to progress our sustainability initiatives in the year and have higher ambitions for the future. We have increased the level of recycled material in our packaging, reduced our use of virgin plastic by more than 10% in advance of our 2025 target, and from 2023 will have successfully phased out non-recyclable polymers and colourants.

In these very difficult times, we would like to pay tribute to our employees for their continued commitment and excellent contribution during the year. We will continue to work hard to provide support to our employees as they face the pressures of the current economic climate and increases in the cost-of-living.

Financial and operating performance

Revenues were 10% higher than 2021, including 9% related to the Schela Plast business which was acquired in February 2021. After adjusting for the acquisition, price changes and foreign exchange, sales volumes in the underlying business are 10% below 2021.

Gross margins of 17% (2021: 17%) were in line with 2021 but remain lower than our historical norm due to the overall weighting of material prices in the sales price, the structurally lower gross margin in Schela Plast and the operational gearing effect of reduced sales volume in the underlying business.

Operating costs excluding exceptional items were 3% higher than in 2021. The effect of the Schela Plast acquisition and inflation were largely offset by cost-saving initiatives, including the restructuring actions taken in the final quarter of 2021 and first quarter of 2022.

Operating profit before amortisation of intangible assets and exceptional items has increased to £2.0m (2021: £1.2m). After taking into account £2.2m profit on disposal from two properties during the year, profit before tax was £2.3m (2021: loss of £0.1m).

Cash generated by operations was £7.6m (2021: £5.4m), benefitting substantially from improved payment terms with suppliers and customers.

Capital investment, financing, and pension

During the year, we invested a net £2.5m in property, plant and equipment, of which £0.3m was related to the relocation of production from Sutton-in-Ashfield to the Kirkby-in-Ashfield site. Property proceeds of £3.5m were received in March and April and deferred consideration of £2.3m was paid to the former owners of Schela Plast in July. With lower working capital, net debt at 31 December 2022 was £9.2m (2021: £13.1m). In March 2023, the Group successfully refinanced a £4.5m commercial mortgage for three years with HSBC Bank UK. With total credit facilities of £19m (2021: £22m), the necessary headroom is available for the Group to operate effectively.

The IAS 19 valuation of our pension plan at 31 December 2022 reported a surplus of £7.0m (2021: £13.2m). This surplus is deemed to be irrecoverable and so is not included in the Group's assets.

In December, the Robinson & Sons' Limited Pension Fund (the "Scheme") completed a buy-in of all the Group's defined benefit pension scheme liabilities. Following completion, the Scheme'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 Scheme. As the Scheme is in surplus, the Group was already benefitting from a contribution holiday and there is no immediate benefit to cashflow.

The Group and the Scheme trustees have long shared an ambition to achieve a buy-out of the liabilities when market conditions allow. The buy-in is the first step towards this goal, with a full buy-out proposed after a data cleanse exercise, which is expected to be completed by the end of 2023. In line with the Trust deed, any surplus remaining in the Scheme after the full buy-out would be used to augment member benefits.

If a surplus remains following completion of a full buy-out, then it is likely that the funds in the pension escrow account, which are c.£3.2m, of which, £2.7m are loaned to the Group on commercial terms, will be returned to the Group. Any funds returned to the Group would be used to reduce net debt.

Property

The Group completed on the sale of two properties in 2022.

In March, a part of the surplus land and buildings in Chesterfield was sold for consideration of £975,000. The proceeds have been received and were used to reduce bank debt.

In April, an operational property in Sutton-in-Ashfield was sold for consideration of £2,475,000. Following the sale, production was relocated to an existing Robinson premises in Kirkby-in-Ashfield. As planned, £600,000 was invested in the relocation project, the proceeds have been received and after the relocation costs, the remaining cash was used to reduce bank debt. This consolidation of sites will provide opportunities to improve operational efficiency in the UK plastics business in 2023 and beyond.

After undertaking a professional independent valuation, the fair value of the surplus properties is now estimated to be £8.1m. The current net book value is £2.8m.

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

Dividend

The Board proposes a final dividend of 3.0p per share to be paid on 21 July 2023 to shareholders on the register at the close of business on 7 July 2023. The ordinary shares become ex-dividend on 6 July 2023. This brings the total dividend declared for 2022 to 5.5p (2021: 5.5p).

Outlook

We expect the substantial macroeconomic uncertainty and volatility experienced since the beginning of 2021 to continue throughout 2023.

We are seeing more new business activity with our existing and potential customers, which provides opportunities for growth in 2023 and beyond. We have recently been awarded a significant new contract in Denmark which will require substantial capital expenditure in 2023, funded from existing facilities and will begin to benefit sales and profit from 2024.

As a result of the further cost inflation experienced in 2022, we are seeking substantial price increases from all customers for 2023. Given the ongoing pressure on volumes, input prices and margins, the Board will continue to prioritise the management of costs and cashflow.

Despite the ongoing uncertainty, operating profit* in the 2023 financial year is expected to be ahead of 2022 and in line with current expectations. 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
29 March 2023

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

CEO's report

Despite continued market volatility in 2022, we were able to improve profits, win new business, consolidate UK operations to improve efficiency and advance our sustainability agenda by achieving several key milestones.

Dr Helene Roberts | CEO

The market volatility experienced since the onset of the Covid-19 pandemic continued throughout 2022. Despite the ongoing challenges, we successfully passed through increased input costs to our customers, strengthened our offering of recycled materials and consolidated our UK plastics production sites. We progressed our sustainability agenda through: investing to improve the re-use of our own process waste in production; rationalising our portfolio or substituting materials so that all products sold are now 100% recyclable; and exceeding our target of a 10% reduction in virgin plastic used two years before the 2025 target date.

Customer new product development activity remained suppressed, but we were successful in developing our new business pipeline and in the final quarter of the year, we were awarded two large projects which will partially benefit 2023 but have a more substantial impact in 2024.

Except for Schela Plast in Denmark, all our businesses saw a reduction in sales volumes in 2022, which was offset by price increases passed on to customers following the sharp increases in input costs.

In Poland, lower sales volumes were primarily driven by a reduction in demand, particularly from those customers exposed to countries impacted by the Russian invasion of the Ukraine. This was partially offset by additional volume for existing products made with recycled materials for the German market. We have recently been awarded further projects in this area that will benefit 2023. Currency movements also reduced Poland sales in the Group results by 3% (£0.5m) against the prior year.

In Denmark, after a challenging 2021 that included suppressed sales volumes due to Covid-19 related lockdowns, the core business showed signs of stabilising in 2022. The strategic supply partnership with Unilever hit full run rate and had a substantial positive effect on sales. However, input costs, particularly those relating to energy increased significantly and impacted profits. Following successful participation in a consortium to create a circular economy for plastics in Denmark, Schela Plast is now producing HDPE packaging from 100% Danish household sorted plastic waste. We are excited about the opportunities for both existing business and future growth this will provide. Following a successful post-

Business unit performance

	2022					2021				
	UK £'000	**Poland £'000**	**Denmark £'000**	**Head office £'000**	**Group £'000**	**UK £'000**	**Poland £'000**	**Denmark £'000**	**Head office £'000**	**Group £'000**
Revenue	22,005	16,619	11,905	-	**50,529**	21,869	16,266	7,819	-	**45,954**
Operating profit before exceptional items and amortisation of intangibles	771	1,729	117	(584)	**2,033**	402	1,474	(202)	(449)	**1,225**
Operating profit margin before exceptional items and amortisation of intangibles	3.5%	10.4%	1.0%	n/a	**4.0%**	1.8%	9.1%	(2.6%)	n/a	**2.7%**
Capital expenditure	1,135	643	795	11	**2,584**	1,376	954	1,651	10	**3,991**

acquisition integration, delivery of a major new customer project and significant sustainability progress, the current Schela Plast Managing Director will be leaving the business during 2023. I would like to thank Morten Jeppesen for his contribution to our business over the last two years and we wish him well for the future. The Poland Managing Director will assume responsibility for the Denmark business alongside his existing role, facilitating a simpler organisation structure, sharing of best-practice and a common approach in our European operations.

In the UK plastics business, we were successful in winning a substantial project with an existing customer at the beginning of the year, but this was insufficient to offset the loss of volume including the delisting of some products by our customers. As a result of the declining volumes, a strategic review of the business unit concluded with a headcount reduction and the consolidation of two factories into one. This consolidation caused some disruption for the business in 2022 but will provide opportunities to improve efficiency in 2023 and beyond. Labour availability and productivity continued to be a significant challenge and led to increased costs during the year. Despite the increased costs, profits were higher than 2021, which was affected by the lag effect of sharp increases in polymer resin prices.

In the UK Paperbox business, sales were 30% below 2021. Some volume was lost at the beginning of the year due to service issues in 2021 associated with aged manufacturing equipment. Due to a shortage of electrical components from China during the pandemic, our investment in new equipment arrived five months later than planned and too late for the important seasonal peak in demand, which impacted our ability to grow sales. We have invested in capabilities in this business during the year as we believe there is an opportunity to take advantage of customers seeking UK based suppliers for their packaging. Those factors combined, led to an increase in the operating loss in 2022. In 2023, we have received Forest Stewardship council ® (FSC) certification (Licence code: FSC-C186000), which will support future growth and we continue to believe that with additional scale this business will contribute to Group profits in the current year.

Sustainability and our business strategy

Our strategy focuses on three priorities: putting our customers first, helping our people to thrive and in turn achieving sustainable growth. Sustainability and our core values underpin these strategic priorities.

We launched our Sustainability pledge in February 2021 and by quarter one of 2022 we achieved zero percent waste to landfill across all our operations, this continued throughout the year. During the year, we invested in equipment to increase the amount of our process waste that can be directly reused in production. We have rationalised our portfolio and reduced the number of materials used to make sure that all products that we sell are now fully recyclable. Whilst we have not yet met our target of 30% recycled material content, we continue to work closely with our customers and are making substantial progress. In Denmark, more than half of our packaging is made from recycled material and in the UK we are working with the NEXTLOOPP consortium to develop food-grade approved mechanically recycled polypropylene, which would be transformational for our product offering.

We are continuing to decarbonise our business by focusing on energy reduction opportunities in our operations. In addition to investing in new more efficient equipment we are installing energy monitoring systems to identify areas for improvement. Consolidation of the UK sites will allow us to run more efficient and faster equipment for longer, which will lead to a reduction in energy usage.

Operating with excellence

We are disappointed to report that there were five lost-time accidents across the Group in 2022. The Health & Safety of our people is of paramount importance, and as a result we have renewed our focus on behavioural safety. The incidents in 2022 were concentrated in two locations and we have 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.

Following our work in Health & Safety to standardise our way of working across the Group, we have implemented a similar approach to product quality. In 2022, we achieved an 18% reduction in the number of quality complaints compared to the prior year. Our ability to service customers is fundamental to the success of the business and a programme of actions has been implemented following an independent customer survey completed in 2021.

We are enhancing our manufacturing execution systems across the Group to support the optimisation of our manufacturing processes.

Our focus ahead

Building on the improvement in profitability achieved during 2022, we will continue to strengthen the business and adopt new ways of operating to make the business more resilient:

- We will build our growth pipeline with key customers, including in our Paperbox business following the significant investment in capabilities and equipment in 2022.
- We will implement further price increases to offset inflationary impacts and make further changes in the layout and efficiency of our UK plastics operation to drive out costs and make ourselves more efficient.
- We will further increase our level of recycled content across the plastics business, first to 30% and then beyond.
- We will continue to progress our surplus property disposal agenda and secure a buy-out for the defined benefit pension scheme to reduce our net debt and provide funds for future investment.
- Finally, we will simplify the structure of our organisation, ensuring that we have the right skills and capabilities to service the needs of our customers in the most effective way.

Dr Helene Roberts
CEO
29 March 2023

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

368

Employing 368 people

Geographical reach into Northern & Eastern Europe and the UK

Markets we serve

Food and drink

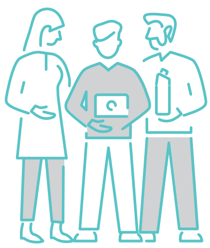
Homecare

Personal care and beauty

Luxury gifts

Our customers include McBride, 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

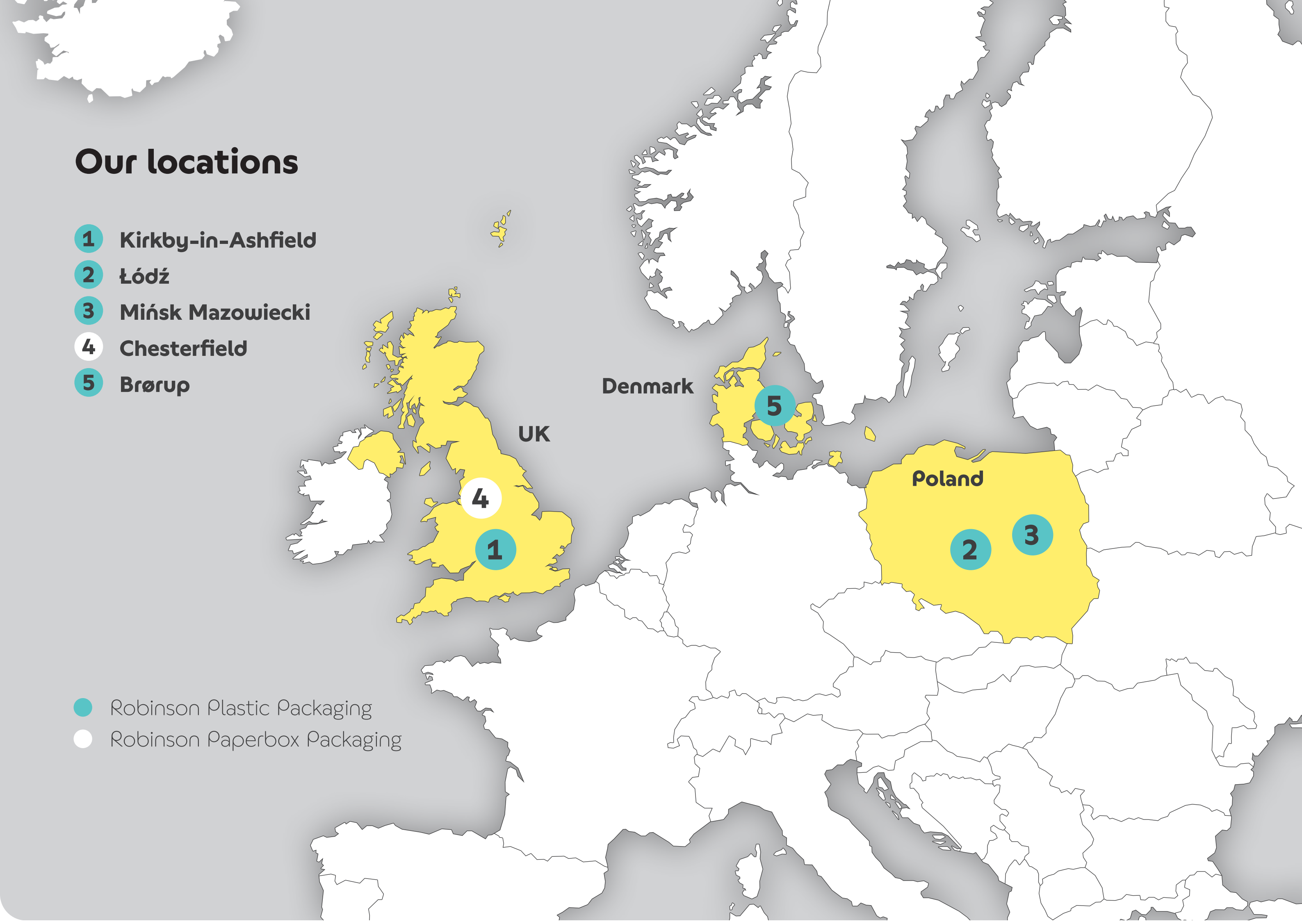
Engaged
We want our people to thrive, supporting them to realise their full potential

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

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

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

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

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

Our business strategy

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

Our strategic priorities

Underpinned by operating responsibly and sustainably

Accountable and inclusive governance

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 to 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.

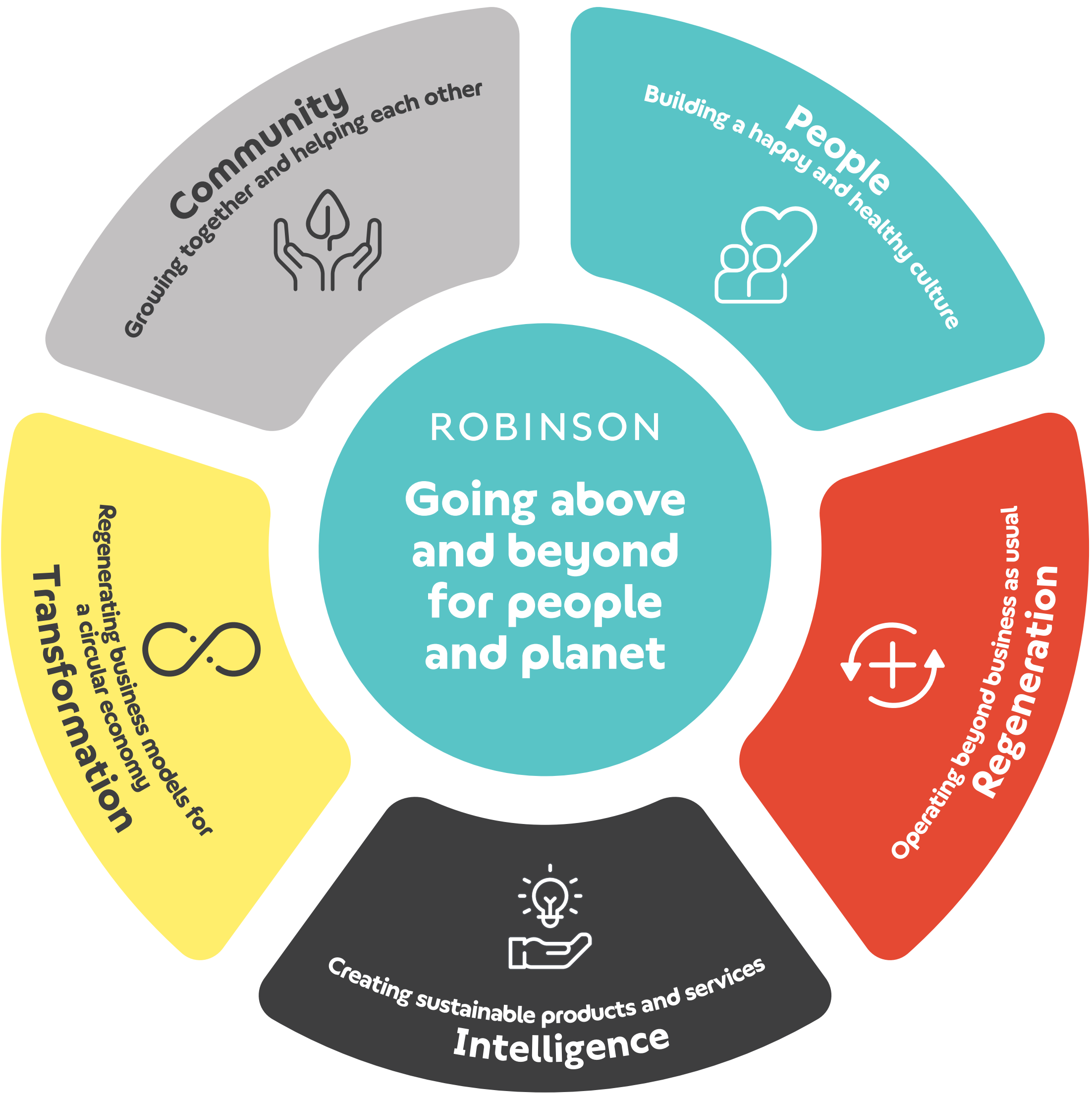
Guiding our sustainability journey

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 are 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, 51% of our HDPE packaging in Denmark was made from post-consumer recycled plastic in 2022. We are working with similar partners to develop the same closed loop vision for PET in Denmark.

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT 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 12% and the amount of virgin material used has reduced by 22%, well ahead of the 2025 target date. This has been achieved by "light-weighting" products or switching from virgin to recycled plastic. The key project with Unilever in Denmark in 2021 includes bottles made from 100% recycled plastic and has contributed substantially to the goal. In Poland we reduced the weight on a range of personal care bottles by between 10% and 15%, this has saved 36 tonnes of polymer in 2022.

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

Whilst we have made substantial progress during the year, we are disappointed to have not achieved our ambition of 30% recycled content by the end of 2022.

As planned we have 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, we have signed up for the second phase of the NEXTLOOPP project that aims to deliver a supply chain for this recycled material for food applications. 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 is significantly higher than virgin and many of our customers have been hesitant to incur additional cost in the current economic situation.

Despite the challenges we increased our use of post-consumer recycled material by 45%, taking our percentage of recycled plastics from 11% to 17% of total usage. Over half of our material in Denmark now comes from post-consumer waste 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 22% recycled content in 2022 (2021: 14%).

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 has been 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

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 waste going to landfill by the first quarter of 2022 and maintained it throughout the year. The final stage was delivered by switching waste management partners and implementing effective segregation at our sites in Poland, we found that segregation has also led to a reduction of total waste in some sites of up to 8%. 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 has provided a pilot for introducing a more carbon efficient approach, which we can apply to other sites across the Group. We have also piloted the transfer of 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, in both the UK and Denmark. Again, we will look to extend this to office areas and reduce our reliance on gas powered central-heating.

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 plan to run short, actionable internal surveys with our people on a regular basis from 2023.
- **Enhanced employee communication** – through the company intranet, on screens in communal production areas and by being able to reintroduce 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. For example, we have rolled out a foundational management training programme to all managers in the UK, which will be extended to Poland and Denmark in due course.
- **Rewards and recognition and the enhancement of employee benefits** – which include access to a GP within 2 hours, life insurance and free counselling to support the health and well-being of our people.

Champion employee health and wellbeing

We have implemented further measures to ensure the safety of our teams and continue to put our people first. We are proud to say that we have not had an outbreak of Covid-19 in any of our factories over the last three years and we are continually reviewing our safety procedures to maintain this. We introduced hybrid working during the pandemic that has been continued where specific roles allow. We also organise an annual Christmas Party and day trips for children of our employees in the UK and organise family days on site in Poland.

Zero accidents every year

We are disappointed to report that there were five lost-time accidents across the Group in 2022. The Health & Safety of our people is of paramount importance, and as a result we have renewed our focus on behavioural safety. The incidents in 2022 were concentrated in two locations and we have broadened the scope of some roles to cover the whole Group and implemented a safety forum, chaired by the CEO, which meets monthly to share best practice.

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, 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. Through the 'Made in Chesterfield' organisation we have held school and college trips and have planned for a group of 20 university students to visit our UK plastics site in 2023.

Giving back to communities every year

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

- Our UK team supported the Sheffield Children's Hospital Trust, through their Snowflake campaign, producing gift boxes, and a 'Robinson' team ran 10km in the 'Percy Pud' Challenge. We also provided specialist knowledge to the charitable trust. Money was raised for the 'Guide Dogs for the Blind' charity through cake sales, a defibrillator was donated to a local Neighbourhood Watch scheme with training of residents by the Ambulance Service. We donated kit for an Under 9 Girls' football team, benefiting two hundred children in the local community. Our UK Welfare Officer supported our pensioners throughout and post the pandemic, including weekly coffee mornings, home visits to vulnerable people and holding an annual party.
- 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. Our team purchased medical supplies, transporting them to the Ukraine border with donated food and clothing. We provided employment to family members of our Ukrainian employees allowing them to remain in Poland. We continue to collect cans for the 'Balls for Cans' project. For every 15kg of cans collected and recycled, the project donates a football to a local children's team.
- Our team in Denmark supports the local orphanage through donations and fundraising events. 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

4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
14 LIFE BELOW WATER
17 PARTNERSHIPS FOR THE 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.

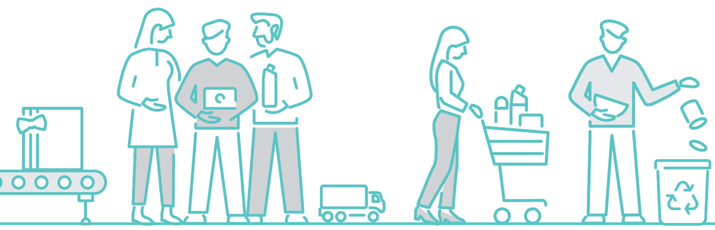
2 Design and manufacturing
We use technical expertise to bring customer concepts to commercial reality with agility, while minimising environmental impact.

The value we create now

Our long-term 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.

Customers

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

People

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

Communities

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

Environment

Reduction in food and product waste and climate mitigation.

Investors and shareholders

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

Consumers

Protective packaging for hygiene, safety, and convenience.

Creating inclusive and equitable employment

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

Protecting our planet

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

Reducing plastic pollution

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

Partnership and collaboration

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

Risks and opportunities

Our approach to risk management

The Board maintains a process and procedures for identifying 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 Leadership Team records each risk, describing **mitigation** measures and any proposed **future actions**.

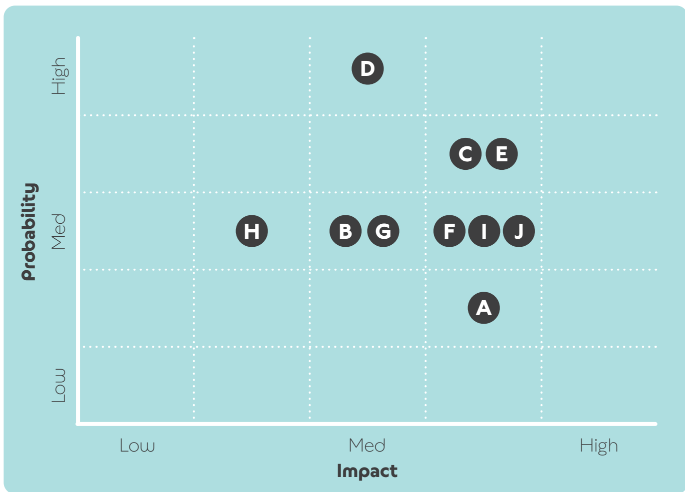
The status of the most significant risks is **reviewed** regularly at Senior Leadership Team meetings.

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

Our principal risks

Risks are assessed across five categories: **Strategic**; **Business continuity**; **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.

Static risk Increased risk



A Acquisition performance
B Customer relationships
C Raw material supply and input prices
D IT and digital security
E Environment
F Debt leverage
G Operational gearing
H Foreign currency
I Market competitiveness
J People

Customer first | Sustainable growth | Thriving people

Pages 10 and 11: Our business strategy

Principal risk and impact	Mitigation	Key developments and opportunities
Strategic		
A Acquisition performance		
The acquisition of Schela Plast creates potential risks in business stabilisation and continuity, culture, technology and change management. Failure to perform to expectations could reduce business earnings and value.	Schela Plast Managing Director remained with the business for 2 years post-acquisition, supporting the integration. Group leads for HR, Operations and Health & Safety supporting the standardisation of processes.	Poland Managing Director to lead the Danish business from May 2023, supported by Group leads. Current Managing Director will remain with the business until transition has been embedded. Knowledge and resource sharing will benefit both businesses in future.
B Customer relationships		
The Group has a small number of key customers. The loss of a customer or worsening of terms could adversely affect results. Limited power to drive price increases and inability to respond to end-consumer demand can reduce volumes and profitability.	Strong partnerships and targeted strategies. Multi-level customer contact points. Building relationships with other brands.	Independent customer survey highlighting key improvement areas with specific action plans. Success with price increases outside of normal contracts in last two years to recover input cost inflation.

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 (including EU imports) 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.	Secondary suppliers implemented where possible, but lack of scale and inability to change specifications quickly restricts use. After severe challenges in 2021, resin availability and price have improved through 2022, due to lower demand. Energy prices have increased significantly since the beginning of the Ukraine conflict.
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.	Independent cyber maturity assessment performed in 2021, improvements made in 2022 with further improvements planned for 2023.
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, including the UK Plastic Packaging Tax, may increase costs and fees and could impact customer demand for plastic packaging.	Sustainability pledge in place. Select sustainable materials and designs to prevent product damage and waste. Ensure sustainable operations and production. Active membership of trade bodies lobbying for the benefit of plastics and inputting to new or revised legislation. Designing for recyclability without creating unintended environmental impacts. Monitor developments and keep close contact with customers.	Sustainability pledge targets a reduction of environmental impact. Reduced material content through innovation, design and technology. Now phased out non-recyclable products. Implemented local source of recycled material in Denmark and Poland and working as part of a consortium to develop more recycled material opportunities in the UK.
Financial		
F Debt leverage Higher leverage increases liquidity risk and may lead to higher finance costs.	Detailed business plans identifying cash requirements. Focus on working capital management. Sales of surplus property planned to reduce leverage. Strong relationships with Group bankers.	Property sales and tight control of working capital have reduced leverage in 2022. Debt refinanced in March 2023 for a further three years. Sharp increases in interest rates will lead to higher finance costs in 2023.
G Operational gearing As manufacturers, the Group's businesses are operationally geared with a high proportion of fixed costs. When sales volumes are reduced the impact on profit can be substantial.	Fixed costs are monitored closely to balance investment for growth whilst retaining flexibility in the event of lower volumes. Demand planning and short-term volume initiatives in place.	Average headcount reduced by 9% from 2021. Operating cost inflation held to 3% despite 11.5% market inflation. Sales activity should generate additional opportunities to recover volumes with existing or new projects.
H Foreign currency Currency fluctuations could impact revenues and profits and the value of overseas investments.	Some natural hedging in overseas operations. Residual currency exposures not typically hedged but exchange rates are closely monitored at Board level.	Polish Zloty weakened by 3% and Danish Krone by 1% against Sterling during 2022.
Operational		
I Market competitiveness Failure to supply or an uncompetitive cost position could result in loss of market share. Being competitive will require additional capital expenditure.	Investment in new technology to improve efficiency and flexibility. Continuous improvement initiatives in place to reduce costs, including controls over capital expenditure to ensure maximum returns.	Factory consolidation to support cost reduction in the year. Significant investment in equipment planned to support a key Group customer in 2023.
J People Our success depends on the efforts and abilities of our people. Low unemployment and high demand for skilled people may restrict our growth.	Frequent salary benchmarking and adjustment. Fair employment practices. Increased number of permanent rather than temporary employees. Improving gender pay gap. Comprehensive People development plan.	Continued focus on improving employee engagement including reintroduction of face-to-face time post Covid-19 restrictions and implementation of an employee intranet. Supporting employees through cost-of-living crisis with salary interventions where appropriate. Succession and individual development plans in place for key roles.

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.
Outcomes and actions	• Refinanced a £4.5m commercial mortgage for three years with HSBC Bank UK.	• New health and safety actions including a “health and safety” week and first-aid and defibrillator training for all employees. • E-learning management training programme implemented. • Broadened benefits to include wider access to confidential medical and mental health support and life insurance policies. • Succession and career development plans.

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.

- Successfully mitigated substantial supply risk of raw materials in the year.
- New local source of post-consumer recycled raw material agreed in Denmark through participation in an industry consortium.
- 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 BRCGS 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.

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

- Agreed sales price increases to cover increased energy and other costs with all customers.
- Agreed to phase out the production of non-recyclable products, in some cases identifying replacement suppliers and supporting mould transfer for customers.
- Started production of packaging from locally sourced post-consumer recycled material in Denmark and Poland.
- Significant new business wins which will increase sales in 2023, but more substantially in 2024.

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

- Direct and, through the British Plastics Federation and Packaging Federation, indirect lobbying and consulting governments on forthcoming requirements, including the Extended Producer Responsibility reform.
- Engaged with RECOUP to test and trial carbon black detection to phase out where possible and gain access to market insight and primary recycling data.
- Signatory to Operation Clean Sweep to reduce plastic pellet loss to the environment across all sites.
- Participation in second phase of NEXTLOOPP project to develop and trial food-grade recycled polypropylene and establish a secure supply chain.
- Collaboration in Denmark to establish local recycling of PE and extended to PET to create national circular economy.

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		
	UK site consolidation	**Pension scheme buy-in**	**New plastic growth project**
	A strategic review of the UK plastics business resulted in a decision to close and sell a manufacturing site in Sutton-in-Ashfield. All production was transferred to an existing site in Kirkby-in-Ashfield and the property vacated in October. The consolidation provides opportunities to improve operational efficiency.	Supported the Pension Fund trustees in the completion of a buy-in of all the Group's defined benefit pension scheme liabilities. The Funds liabilities are now matched by an insurance policy and the Group will no longer bear any investment, longevity, inflation or interest rate risk associated with the scheme.	The Group will invest in new equipment to support a major customer redesign project in Northern Europe in 2023. This project will provide substantial revenue growth in 2024.
			
Customers	Consolidation provides opportunities to reduce costs and remain competitive in our pricing to customers.	Reduction of risk of future liability for the Group and business simplification will allow greater focus on supporting customers.	Project extends partnership with Group's largest customer and proves Robinson capability in more technically demanding personal care sector.
Employees	Employees will benefit from a more sustainable business.	Nine remaining active members received an enhancement to their benefits before ceasing accrual. Other employees benefit from a reduction of risk in the wider Group.	Increased scale provides enhanced opportunities across the Group.
Investors	Net proceeds from sale and transfer of £1.9m were used to reduce debt. Lower operating costs will enhance profitability and production consolidation will reduce the future maintenance capital expenditure requirement.	Reduction in risk of liability for the Group in future. Probability of Pension Escrow Account funds being returned to the Group has increased, if returned net debt would be reduced by £3.2m.	Increased profits from new business will benefit investors in the long term.
Environment	Consolidating production on newest and fastest equipment will reduce energy consumption.		Production from 100% post-consumer recycled material on new highly energy efficient equipment, both key parts of the sustainability strategy.


P6
Reject
Products
Only

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

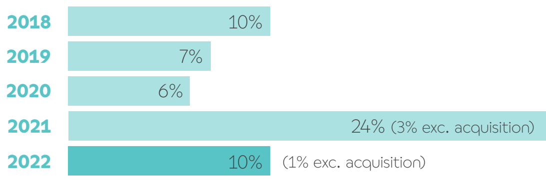
Financial KPIs

Revenue growth

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

Performance in 2022
Revenue growth of 10% includes the effect of the Schela Plast acquisition (9%), where the strategic supply partnership with the Group's biggest customer hit full volume. After adjusting for the effect of currency and price, underlying volumes were 10% lower than 2021, due to reduced demand from customers, with some choosing to delist products.

Goal
Above-market profitable growth.



Gross profit margin

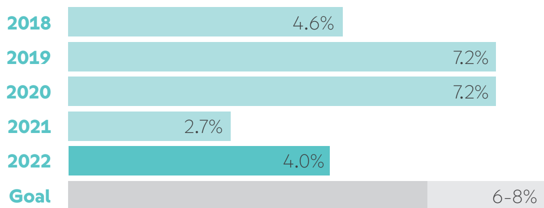
Demonstrates the Group's profitability from its manufacturing operations.

Performance in 2022
Gross margins remain lower than our historical norm due to the overall weighting of material prices in the sales price, the structurally lower gross margin in Schela Plast and the operational gearing effect of reduced sales volume in the underlying business.

Adjusted operating margin*

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

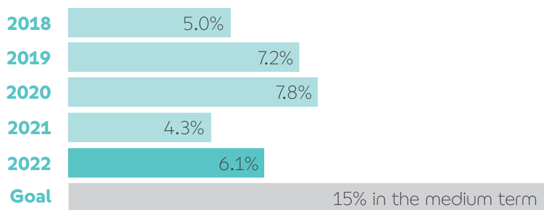
Performance in 2022
Overall adjusted operating margins increased to 4.0% during the year due to the increase in sales which exceeded operating cost inflation. We are targeting further price increases with customers to recover additional input cost inflation and making further operating cost improvements to increase margins in 2023.



Post-tax return on capital employed**

Financial return from all of the capital invested in the business. A return higher than the Group's weighted average cost of capital (5.1%) is satisfactory.

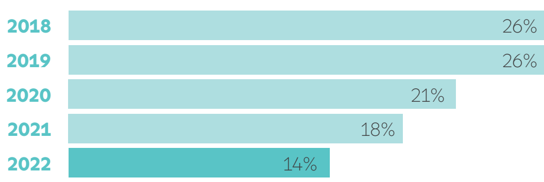
Performance in 2022
The return on capital employed improved due to the higher profits during the year and was slightly in excess of the cost of capital.



Working capital as a % of sales***

Revenue required to fund the working capital cycle.

Performance in 2022
Overall working capital levels were lower in the year due to further progress on reducing longer customer payment terms and agreement of new payment terms with some key suppliers.



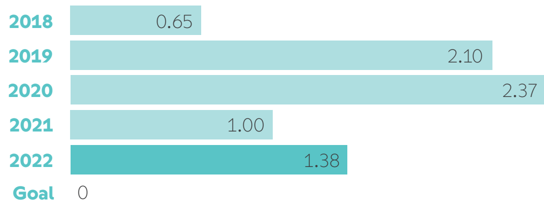
Non-financial KPIs

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 2022
There were five lost time accidents in the year, compared with four in 2021. The Health & Safety of our people is of paramount importance and we are very disappointed with this performance. The incidents in 2022 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.

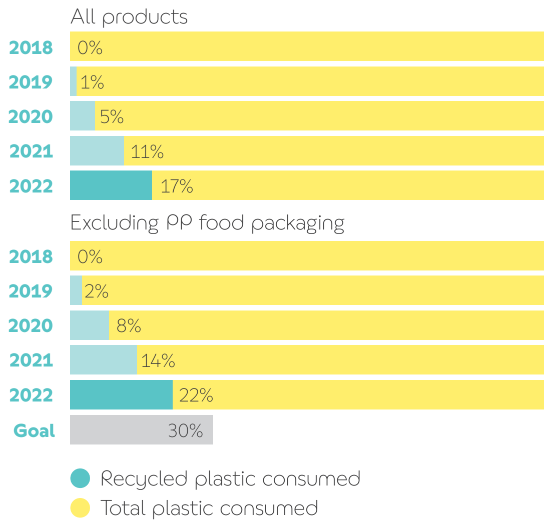


% average of post-consumer recycled content in packaging

Level of recycled material in our packaging products.

Performance in 2022
Overall usage of post-consumer recycled (PCR) material increased during the year. As there are supply constraints for high-quality PCR, we continue to seek secondary supply sources. In addition, mechanically recycled polypropylene (rPP) does not meet food-grade requirements. We are in our second phase of membership in the NEXTLOOPP project to develop a supply chain of food-grade rPP from mechanical recycling. Commercial volumes of chemically recycled food-grade rPP are currently limited. New business wins in the second half of 2022 which include 50% and 100% PCR and will commence production in 2023 and 2024 respectively 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 by the end of 2022.



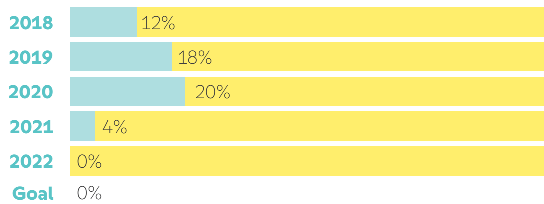
This shows our performance in plastic packaging. In paperboard, we have reached 100% recycled content. Our paper is made from sustainable sources and we are FSC certified.

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 2022
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 of our sites are signed up to the Operation Clean Sweep initiative to prevent plastic pellets from our operations entering the environment. We achieved our goal of 0% of waste to landfill by the end of the first quarter of 2022.

Goal
Zero waste to landfill by the end of 2021.



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

** Operating profit before amortisation of intangible assets and exceptional items (£2,033k) less taxation (income £51k) divided by the average, current year (£33,123k) and prior year (£34,797k), capital employed (net assets less net debt).

*** Inventory + trade receivables – trade payables.

Streamlined Energy and Carbon Reporting (SECR)

The SECR regulations require UK companies to report on their energy use and carbon emissions. The Group has voluntarily chosen to disclose its total emissions for transparency and accountability in delivering its reduction targets.

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 2021		UK 2021		Poland 2021		Denmark 2021	
	kWh 000s	tCO_2e	kWh 000s	tCO_2e	kWh 000s	tCO_2e	kWh 000s	tCO_2e
Electricity	26,116	10,676	9,656	2,050	11,531	8,049	4,929	577
Gas	1,893	347	1,131	207	762	140	-	-
Transport	540	127	75	18	331	77	134	32
TOTAL	**28,549**	**11,150**	**10,862**	**2,275**	**12,624**	**8,266**	**5,063**	**609**
Intensity ratio (tonnes CO_2e per tonne of plastic polymer)		0.83		0.43		1.47		0.24
Intensity ratio (tonnes CO_2e per £'000 revenue)		0.24		0.10		0.51		0.08

	Group 2022		UK 2022		Poland 2022		Denmark 2022	
	kWh 000s	tCO_2e	kWh 000s	tCO_2e	kWh 000s	tCO_2e	kWh 000s	tCO_2e
Electricity	24,295	9,467	8,752	1,692	10,077	7,135	5,466	640
Gas	1,908	350	742	136	1,166	214	-	-
Transport	417	99	72	17	283	66	62	15
TOTAL	**26,621**	**9,915**	**9,567**	**1,846**	**11,526**	**7,414**	**5,528**	**654**
Intensity ratio (tonnes CO_2e per tonne of plastic polymer)		0.77		0.39		1.54		0.19
Intensity ratio (tonnes CO_2e per £'000 revenue)		0.20		0.08		0.45		0.05

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 Poland increased from 2021 to 2022.

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. Whilst we made progress at a Group level, the higher intensity ratios in Poland in 2022 were disappointing. Half of the increase noted is due to the increase in the emission factor, over which we have no control. An energy and carbon management team of experts was formed 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 to date, we are focusing on implementation of 6 high priority projects.

The Group has invested in energy-saving initiatives in 2022, including:

- Pilot installation of energy analytics software and monitoring equipment on every moulding machine and item of ancillary equipment in one factory, to further develop the energy map and identify areas for improvement.
- Replacement of high-pressure air compressors with a low-pressure system and accompanying boosters where required to reduce energy consumption. The waste heat from the compressors is also fed via heat exchangers to provide space heating in production.
- Further roll-out of LED lighting to external areas in some factories.
- Ongoing capacity and asset utilisation to become more energy efficient. 11 machines with an average age of 26 years were disposed in 2022.

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 2022. Emissions in Poland have been converted using rates from The National Centre for Emissions Management (KOBiZE) for 2022. Denmark emission conversion rates have been 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 company vehicles were unknown; therefore, CO2e emissions were estimated based on typical car type and average fuel usage.

The strategic report was approved by the Board of Directors on 29 March 2023 and is signed on its behalf by:

Mike Cusick
Director

29 March 2023

Corporate governance report

Board of Directors

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), Remuneration (Chair), Audit & Risk

Sara Halton
Senior Independent Non-executive Director

Appointed to the Board:
January 2019

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

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

Committees:
Nomination, 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:
Nomination, Remuneration

Executive Directors

Helene Roberts
CEO

Appointed to the Board:
November 2019

Helene has extensive knowledge of sustainable materials technology, global sales, marketing and innovation and people leadership. She has a degree in Materials Engineering and a PhD in Polymer Engineering.

Helene's career started with M&S, initially as a Materials Technologist before spending seven years as food and drink Head of Packaging. Since 2011, Helene has worked for several packaging converters. Most recently Helene was Managing Director at Klöckner Pentaplast, responsible for the UK, Ireland and Australian business.

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.

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	Remuneration Committee	Audit & Risk Committee
Meets twice per year	**Meets twice per year**	**Meets four times per year**
Chaired by Alan Raleigh	**Chaired by Alan Raleigh**	**Chaired by Sara Halton**
See page 31 for more information	See page 30 for more information	See page 31 for more information

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

Operating businesses

Board of Directors

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

The Board reviews its performance as an integral part of each Board meeting and 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 11 times in 2022 and plans to meet 12 times in 2023 - additional meetings can be called as and when deemed necessary. A formal schedule of matters requiring Board approval is maintained covering such areas as strategy, approval of budgets, financial results, Board appointments and dividend policy.

The Board consists of a Non-executive Chairman, two other Non-executive Directors, a CEO, and a Finance Director. The Chairman of the Board is Alan Raleigh and the Group's business is run by the CEO (Helene Roberts) and the Finance Director (Mike Cusick). The Board considers that both Alan Raleigh and Sara Halton are independent, but Guy Robinson is not due to his length of service with the Company.

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

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

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

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.

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

Board evaluation and effectiveness

A formal 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 received external advice on the closure of the defined benefit pension scheme for active members. The advice included recommendations on the treatment of past and future benefits and the member consultation process required by law.

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 performs employee engagement surveys on a biennial basis, the next due in 2023.

Committees of the Board

Remuneration Committee report

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

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

- establishing and maintaining formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors and monitoring and reporting on them;
- determining the remuneration, including pension arrangements, of the Directors; and

- determining the basis of Executive Director service agreements, having due regard for the interests of the shareholders.

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

Audit & Risk Committee report

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

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

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

In relation to the external audit:

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

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, reviewed some key financial controls and provided input to the recruitment of two senior members of the finance team.

Nomination Committee report

The Nomination Committee is chaired by Alan Raleigh and includes Sara Halton and 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 February, the Committee reviewed the previous assertion that the current Non-executive Team meets the Group's strategic needs. The Nomination Committee agreed that it does, and it was therefore not necessary at this stage to recruit an additional Non-executive Director.

During February and March, the Committee supported the CEO in a review of the organisational design including the composition of the senior leadership team and succession plans for key roles.

Finally, the committee reviewed the results of the Non-executive Directors 2021 appraisal process and concluded that the feedback had been very valuable and constructive. The same process was followed in 2022.

Attendance at Board and Committee meetings

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

2022	Board	Audit Committee	Remuneration Committee	Nomination Committee	Attendance*
Number of meetings	11	4	3	3	
Alan Raleigh	11	4	3	3	100%
Helene Roberts	11	4	3	2	100%
Guy Robinson	11	4	3	3	100%
Mike Cusick	11	4	3	2	100%
Sara Halton	11	4	3	3	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
29 March 2023

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 2022.

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 five years and will therefore be reviewed in 2023. The Non-executive Directors do not receive any pension payments and with the exception of Guy Robinson in his capacity as Property Director, 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:

	2022					2021				
	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	244	49	–	24	**317**	244	49	–	24	**317**
Mike Cusick	130	11	–	13	**154**	130	12	–	13	**155**
Guy Robinson	102	18	9	–	**129**	138	7	–	–	**145**
Alan Raleigh	60	–	–	–	**60**	60	–	–	–	**60**
Sara Halton	45	–	–	–	**45**	45	–	–	–	**45**
Anthony Glossop	–	–	–	–	–	23	–	–	–	**23**
Total	**581**	**78**	**9**	**37**	**705**	**640**	**68**	**-**	**37**	**745**

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

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

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.

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 2022 are as follows: Helene Roberts nil% (2021: nil%), and Mike Cusick nil% (2021: nil%).

Guy Robinson achieved a bonus of £8,774 (2021: £nil) as a result of the two properties successfully disposed during the year.

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 1.1 times (2021: 1.2 times) higher than the mean pay of females.

The pay of our CEO in the year was 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 2021	Granted in the year	Exercised in the year	Lapsed or cancelled in the year	Unexercised options at 31 Dec 2022	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**	**-**	**-**	**-**	**725,494**			
Other key managers	75,000	**75,000**	-	-	-	**75,000**	130p	12-May-20	11-May-27
Total share options	**800,494**	**800,494**	**-**	**-**	**-**	**800,494**			

200,494 options were exercisable at 31 December 2022. The market value of the shares at 31 December 2022 was 80p per share.

Directors shareholdings

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

	31 December 2022	31 December 2021
Guy Robinson	**1,353,583**	1,352,657
Alan Raleigh	**36,145**	36,145
Sara Halton	**12,049**	12,049
Mike Cusick	**5,458**	5,458
Helene Roberts	**3,455**	3,455

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

Alan Raleigh
Remuneration Committee Chairman

29 March 2023

Directors' report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2022. 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 2022 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 July 2023 to shareholders on the register at the close of business on 7 July 2023. 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. 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 171(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 arranged new credit facilities with existing bankers HSBC Bank UK in March 2023. The existing £4.5m commercial mortgage has been renewed for a further three years and £5m of other short-term facilities have been renewed for 12 months to March 2024. 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 2022 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 171(1) statement included in the Strategic report.

Energy and carbon reporting

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

Annual General Meeting

The notice convening the Company's 2023 AGM for 11:30 am on 22 June 2023 will be circulated to shareholders and is available on the Group's website at robinsonpackaging.com. The Annual report for the year ended 31 December 2022 is available from the Group's website.

Independent auditor

The remuneration of the auditor for the year ended 31 December 2022 is disclosed in note 5 to the financial statements.

Branches outside the UK

The Company holds indirect investments in one unlisted company incorporated in Poland and one unlisted company incorporated in Denmark. Further details are provided in note 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.

On behalf of the Board,

Mike Cusick
Director
29 March 2023

Financial statements

Group income statement and statement of comprehensive income

Group income statement	Note	2022 £'000	2021 £'000
Revenue	1	**50,529**	45,954
Cost of sales		**(41,765)**	(38,204)
Gross profit		**8,764**	7,750
Operating costs	2	**(5,017)**	(6,568)
Operating profit before amortisation of intangible assets		**3,747**	1,182
Amortisation of intangible assets	12	**(947)**	(957)
Operating profit		**2,800**	225
Finance income - interest receivable		**–**	1
Finance costs	4	**(507)**	(374)
Profit/(Loss) before taxation	5	**2,293**	(148)
Taxation	7	**51**	176
Profit for the period		**2,344**	28
Earnings per ordinary share (EPS)		**p**	p
Basic earnings per share	9	**14.0**	0.2
Diluted earnings per share	9	**14.0**	0.2

All results are from continuing operations.

Group statement of comprehensive income	Note	2022 £'000	2021 £'000
Profit for the period		**2,344**	28
Items that will not be reclassified subsequently to the income statement:			
Remeasurement of net defined benefit liability	31	**180**	192
Deferred tax relating to items not reclassified		**(34)**	(36)
		146	156
Items that may be reclassified subsequently to the income statement:			
Exchange differences on translation of foreign currency goodwill and intangibles		**176**	(367)
Exchange differences on translation of foreign currency deferred tax balances		**(26)**	54
Exchange differences on translation of foreign operations		**481**	(846)
		631	(1,159)
Other comprehensive income/(expense) for the period		**777**	(1,003)
Total comprehensive income/(expense) for the period		**3,121**	(975)

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

Statement of financial position as at 31 December

	Note	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Non-current assets					
Goodwill	11	**1,570**	1,514	**–**	–
Other intangible assets	12	**2,924**	3,751	**–**	–
Property, plant and equipment	13	**22,960**	24,892	**7,449**	9,288
Investments in subsidiaries	14	**–**	–	**18,980**	16,895
Deferred tax assets	19	**1,294**	1,188	**821**	724
		28,748	31,345	**27,250**	26,907
Current assets					
Inventories	15	**5,155**	5,067	**–**	–
Trade and other receivables	16	**9,522**	10,033	**3,634**	4,791
Cash at bank and on hand	25	**5,097**	2,775	**935**	319
Current tax asset		**110**	–	**–**	–
Assets classified as held for sale	17	**642**	238	**792**	335
		20,526	18,113	**5,361**	5,445
Total assets		**49,274**	49,458	**32,611**	32,352
Current liabilities					
Trade and other payables	18	**9,543**	10,273	**6,174**	6,026
Borrowings	20	**5,535**	1,681	**3,165**	–
Current tax liabilities		**–**	109	**–**	–
		15,078	12,063	**9,339**	6,026
Non-current liabilities					
Borrowings	20	**8,743**	14,221	**4,085**	8,700
Deferred tax liabilities	19	**1,395**	1,376	**–**	68
Amounts due to group undertakings		**–**	–	**7,496**	6,195
Provisions	22	**116**	128	**116**	128
		10,254	15,725	**11,697**	15,091
Total liabilities		**25,332**	27,788	**21,036**	21,117
Net assets		**23,942**	21,670	**11,575**	11,235
Equity					
Share capital	23	**84**	84	**84**	84
Share premium		**828**	828	**828**	828
Capital redemption reserve		**216**	216	**216**	216
Translation reserve		**(367)**	(998)	**–**	–
Revaluation reserve		**3,856**	4,107	**295**	386
Retained earnings	24	**19,325**	17,433	**10,152**	9,721
Equity attributable to shareholders		**23,942**	21,670	**11,575**	11,235

As permitted by section 408 of the Companies Act 2006, the parent Company's income statement has not been included in these financial statements and its profit for the financial year after tax amounted to £1,043,000 (2021: loss £747,000).

Notes 1 to 34 form an integral part of the financial statements. The financial statements were approved by the Board of Directors on 29 March 2023 and were signed on its behalf by:

Helene Roberts
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 2021	83	732	216	161	4,133	18,079	23,404
Profit for the year	–	–	–	–	–	28	28
Other comprehensive income/(expense)	–	–	–	(1,159)	–	156	(1,003)
Transfer from revaluation reserve as a result of property transactions	–	–	–	–	(26)	18	(8)
Credit in respect of share-based payments	–	–	–	–	–	50	50
Total comprehensive income for the year	–	–	–	(1,159)	(26)	252	(933)
Shares issued	1	96	–	–	–	–	97
Dividends paid	–	–	–	–	–	(898)	(898)
Transactions with owners	1	96	–	–	–	(898)	(801)
At 31 December 2021	84	828	216	(998)	4,107	17,433	21,670
Profit for the year	–	–	–	–	–	2,344	2,344
Other comprehensive income	–	–	–	631	–	146	777
Transfer from revaluation reserve as a result of property transactions	–	–	–	–	(251)	255	4
Credit in respect of share-based payments	–	–	–	–	–	45	45
Total comprehensive income for the year	–	–	–	631	(251)	2,790	3,170
Dividends paid	–	–	–	–	–	(898)	(898)
Transactions with owners	–	–	–	–	–	(898)	(898)
At 31 December 2022	**84**	**828**	**216**	**(367)**	**3,856**	**19,325**	**23,942**

	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 2021	83	732	216	–	390	11,160	12,581
Loss for the year	–	–	–	–	–	(747)	(747)
Other comprehensive income	–	–	–	–	–	156	156
Transfer from revaluation reserve as a result of property transactions	–	–	–	–	(4)	–	(4)
Credit in respect of share-based payments	–	–	–	–	–	50	50
Total comprehensive income for the year	–	–	–	–	(4)	(541)	(545)
Shares issued	1	96	–	–	–	–	97
Dividends paid	–	–	–	–	–	(898)	(898)
Transactions with owners	1	96	–	–	–	(898)	(801)
At 31 December 2021	84	828	216	–	386	9,721	11,235
Profit for the year	–	–	–	–	–	1,043	1,043
Other comprehensive income	–	–	–	–	–	146	146
Transfer from revaluation reserve as a result of property transactions	–	–	–	–	(91)	95	4
Credit in respect of share-based payments	–	–	–	–	–	45	45
Total comprehensive income for the year	–	–	–	–	(91)	1,329	1,238
Dividends paid	–	–	–	–	–	(898)	(898)
Transactions with owners	–	–	–	–	–	(898)	(898)
At 31 December 2022	**84**	**828**	**216**	**–**	**295**	**10,152**	**11,575**

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 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Cash flows from operating activities					
Profit/(loss) for the period		**2,344**	28	**1,043**	(747)
Adjustments for:					
Depreciation of property, plant and equipment	13	**3,151**	2,963	**82**	101
Profit on disposal of property, plant and equipment	5	**(1,454)**	(87)	**(1,538)**	(45)
Profit on disposal of assets held for sale	5	**(737)**	–	**(640)**	–
Amortisation of intangible assets	12	**947**	957	**–**	–
(Decrease)/Increase in provisions	22	**(12)**	(45)	**284**	213
Finance income		**–**	(1)	**(34)**	(40)
Finance costs	4	**507**	374	**260**	161
Taxation credited	7	**(51)**	(176)	**(195)**	(151)
Other non-cash items:					
– Pension current service cost and expenses	31	**180**	192	**180**	192
– Charge for share options		**45**	50	**45**	50
Operating cash flows before movements in working capital		**4,920**	4,255	**(513)**	(266)
Decrease/(Increase) in inventories		**36**	(1,237)	**–**	–
Decrease in trade and other receivables		**671**	511	**1,156**	101
Increase/(decrease) in trade and other payables		**1,951**	1,868	**151**	(408)
Cash generated by operations		**7,578**	5,397	**794**	(573)
Corporation tax paid		**(317)**	(99)	**–**	–
Interest paid		**(492)**	(349)	**(240)**	(137)
Net cash generated by operating activities		**6,769**	4,949	**554**	(710)
Cash flows from investing activities					
Interest received		**–**	1	**–**	39
Acquisition of property, plant and equipment	13	**(2,584)**	(3,991)	**(11)**	(11)
Proceeds on disposal of property, plant and equipment		**2,600**	128	**2,515**	48
Proceeds on disposal of assets held for sale		**975**	–	**975**	–
Cash outflow on acquisition of subsidiary		**–**	(1,832)	**–**	–
Deferred consideration paid	18	**(2,261)**	–	**–**	–
Net cash used in investing activities		**(1,270)**	(5,694)	**3,479**	76
Cash flows from financing activities					
Loans repaid		**(1,501)**	(468)	**(1,450)**	–
Loans drawn down		**440**	6,000	**–**	6,000
Loans granted to subsidiaries	14	**–**	–	**(2,322)**	(6,451)
Loans drawn down from subsidiaries		**–**	–	**1,250**	1,366
Net proceeds from sale and leaseback transactions		**439**	1,721	**–**	–
Proceeds from issue of ordinary shares		**–**	97	**–**	97
Capital element of lease payments		**(1,714)**	(1,987)	**–**	–
Dividends paid	8	**(898)**	(898)	**(898)**	(898)
Net cash used in financing activities		**(3,234)**	4,465	**(3,420)**	114
Net increase in cash and cash equivalents		**2,265**	3,720	**613**	(520)
Cash and cash equivalents at 1 January		**2,775**	(896)	**319**	839
Effect of foreign exchange rate changes		**57**	(49)	**3**	–
Cash and cash equivalents at end of period		**5,097**	2,775	**935**	319
Cash at bank and on hand		**5,097**	2,775	**935**	319
Cash and cash equivalents at end of period		**5,097**	2,775	**935**	319

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

Notes to the financial statements

1 Segmental and revenue information

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

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 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

2021	UK £'000	Poland £'000	Denmark £'000	UK head office £'000	Total Group £'000
Revenue	21,869	16,266	7,819	–	45,954
Operating profit/(loss) before amortisation of intangible assets	277	1,474	(202)	(367)	1,182
Amortisation of intangible assets	–	(761)	(196)	–	(957)
Operating profit/(loss)	**277**	**713**	**(398)**	**(367)**	**225**
Finance income - interest receivable	–	–	–	1	1
Finance costs	(63)	(36)	(114)	(161)	(374)
(Loss)/profit before taxation	**214**	**677**	**(512)**	**(527)**	**(148)**
Taxation	(38)	(94)	157	151	176
Profit/(loss) for the period	**176**	**583**	**(355)**	**(376)**	**28**
Other segment information					
Assets	13,997	17,286	10,629	7,546	49,458
Liabilities	(5,980)	(3,972)	(5,782)	(12,054)	(27,788)
Capital expenditure	1,376	954	1,651	10	3,991
Depreciation	1,258	941	682	82	2,963
Exceptional items	(125)	–	–	82	(43)

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

Revenue by major customer
Revenues from the Group's largest customer amounted to £8,279,000 (2021: £5,742,000); 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:

	2022 £'000	2021 £'000
United Kingdom	**21,338**	21,004
Europe	**27,885**	23,385
Others	**1,306**	1,565
	50,529	45,954

2 Operating costs

	2022 £'000	2021 £'000
Selling, marketing and distribution costs	**1,337**	1,413
Administrative costs	**5,734**	5,447
Property lease income	**(269)**	(307)
Acquisition costs	**–**	83
Exceptional items (see note 3)	**(1,714)**	43
Other income	**(112)**	(104)
Loss/(gain) on foreign exchange	**41**	(7)
	5,017	6,568

3 Exceptional items

	2022 £'000	2021 £'000
Profit on disposal of land and buildings	**2,168**	–
Restructuring & rationalisation costs	**(404)**	(165)
Retranslation of deferred consideration payable	**(50)**	122
	1,714	(43)

4 Finance costs

	2022 £'000	2021 £'000
Interest on bank overdrafts and other short term financing	**101**	89
Interest on bank and other loans	**235**	143
Interest on leases	**171**	142
	507	374

Notes to the financial statements continued

5 Profit/(Loss) before taxation

The profit/(loss) before taxation has been stated after charging/(crediting):	2022 £'000	2021 £'000
Cost of inventories (included in cost of sales)	**39,785**	36,420
Employee costs (see note 6)	**11,343**	11,885
Depreciation of property, plant and equipment (see note 13)		
- owned	**1,812**	1,924
- held under leasing arrangements	**1,339**	1,039
Amortisation of intangible assets (see note 12)	**947**	957
Impairment in respect of:		
- inventories (see note 15)	**(14)**	8
- receivables (see note 16)	**–**	121
Gain on disposal of property, plant and equipment	**(2,191)**	(87)
Loss/(Gain) on foreign exchange movements	**41**	(7)
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	**70**	55
- for the audit of the overseas companies	**13**	10
Total auditor's remuneration	**83**	65
Audit fees in respect of the Robinson pension plan (charged to the plan)	**5**	4

6 Employee information

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

Number employed:	Group 2022	Group 2021	Company 2022	Company 2021
Manufacturing	**305**	327	**–**	–
Sales, general and administration	**63**	74	**16**	17
Total	**368**	401	**16**	17
Employee costs during the year amounted to:	**£'000**	£'000	**£'000**	£'000
Wages and salaries	**9,583**	10,182	**1,148**	1,467
Social security costs	**1,029**	1,079	**145**	192
Pension costs	**684**	572	**155**	101
Share-based charges	**47**	52	**45**	50
Total	**11,343**	11,885	**1,493**	1,810

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 19% (2021: 19%) of the estimated assessable profit for the year. In addition, deferred tax of £5,000 (2021: £8,000) has been debited/credited 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:

	2022 £'000	2021 £'000
Current tax on profit for the year	**285**	154
Adjustments for current tax of prior periods	**(243)**	(42)
Total current tax charge	**42**	112
Increase in deferred tax assets	**100**	336
(Decrease) in deferred tax liability	**(193)**	(624)
Total current deferred tax credit	**(93)**	(288)
Total tax credit	**(51)**	(176)
Profit/(loss) before taxation	**2,293**	(148)
At the effective rate of tax of 19% (2021: 19%)	**436**	(28)
Items disallowable for tax	**48**	16
Depreciation on assets ineligible for capital allowances	**15**	(16)
Capital allowances for year in excess of depreciation	**(297)**	–
Profit on disposal	**(433)**	–
Chargeable gains	**40**	–
Prior year adjustments - corporation tax	**–**	(42)
Prior year adjustments - deferred tax	**(2)**	38
Remeasurement of deferred tax for changes in tax rates	**–**	(178)
Non-taxable items	**(9)**	(43)
Deferred tax not recognised	**–**	78
Utilisation of losses	**150**	–
Other differences	**1**	(1)
Tax credit for the year	**(51)**	(176)

The total tax charge recognised in other comprehensive income in the year was £26,000 (2021: credit £54,000). There are unrecognised capital losses carried forward of £nil (2021: £646,000). 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 2022 was 19%. On 24 May 2021, the increase in the UK tax rate from 19% to 25% with effect from 1 April 2023 was substantially enacted. Deferred tax has been calculated for the UK based on the expected reversal dates of the temporary differences.

8 Dividends		**2022 £'000**	2021 £'000
Ordinary dividend paid:	2020 final of 3.0p per share	**–**	490
	2021 interim of 2.5p per share	**–**	408
	2021 final of 3.0p per share	**490**	–
	2022 interim of 2.5p per share	**408**	–
		898	898

An interim dividend of 2.5p per ordinary share was paid on 14 October 2022 (2021: 2.5p). The Directors are proposing a final dividend of 3.0p for the year ended 31 December 2022 (2021: 3.0p). Total dividends paid during the year, including the final dividend for 2021, were £898,000 (2021: £898,000). No dividends have been paid between 31 December 2022 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 profit after taxation of £2,344,000 (2021: £28,000) divided by the weighted average number of shares in issue, net of treasury shares of 16,753,445 (2021: 16,713,539) and for diluted earnings per share of 16,753,445 (2021: 16,749,474) after the potentially dilutive effect of further shares issued through share options is applied.

	2022	2021
Weighted average number of ordinary shares in issue (thousands)	**16,753**	16,714
Effect of dilutive share option awards (thousands)	**–**	35
Weighted average number of ordinary shares for calculating diluted earnings per share (thousands)	**16,753**	16,749

800,494 (2021: 200,494) 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	2022 £'000	2021 £'000
Receivable:		
- within one year	**135**	208
- between one and two years	**98**	127
- between two and three years	**46**	94
- between three and four years	**10**	47
- between four and five years	**–**	10
	289	486

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 asset.

Group	
Cost	**£'000**
At 1 January 2021	1,503
Acquisitions	486
Exchange differences	(123)
At 31 December 2021	1,866
Exchange differences	66
At 31 December 2022	**1,932**
Accumulated impairment losses	
At 1 January 2021	376
Exchange differences	(24)
At 31 December 2021	352
Exchange differences	10
At 31 December 2022	**362**
Carrying amount	
At 31 December 2022	**1,570**
At 31 December 2021	1,514

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.

	2022 £'000	2021 £'000
Denmark	**485**	461
Poland	**1,085**	1,053
	1,570	1,514

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 post-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% (2021: 2%) in perpetuity. The base pre-tax rate used to discount the forecast cash flows is 5.4% (2021: 4.1%), which reflects the weighted average cost of capital for the Group. The Poland CGU uses a rate of 5.6% (2021: 4.9%) including a risk adjustment of 0.4% (2021: 0.8%) to reflect the higher risk associated with returns in Poland. The Denmark CGU uses a rate of 4.9% (2021: 4.1%) including a risk adjustment of -1.0% (2021: 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	**Customer relationships**
Group	
Cost	**£'000**
At 1 January 2021	7,914
Additions	2,208
Exchange differences	(628)
At 31 December 2021	9,494
Exchange differences	331
At 31 December 2022	**9,825**
Amortisation	
At 1 January 2021	5,145
Charge for the year	957
Exchange differences	(359)
At 31 December 2021	5,743
Charge for the year	947
Exchange differences	211
At 31 December 2022	**6,901**
Carrying amount	
At 31 December 2022	**2,924**
At 31 December 2021	3,751

The amortisation period for customer relationships acquired is 10 years.

The current average useful life of customer relationships is 5.5 years (2021: 5.9 years).

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 2021	9,773	4,046	31,253	1,404	46,476
Additions at cost	216	–	2,924	851	3,991
Reclassified as held for sale	–	(345)	–	–	(345)
Disposals	(1)	–	(1,203)	(307)	(1,511)
Added on acquisition	1,737	–	2,067	463	4,267
Reclassified	–	–	1,439	(1,439)	–
Exchange movement	(414)	–	(945)	(82)	(1,441)
At 31 December 2021	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**
Accumulated depreciation and impairment					
At 1 January 2021	2,975	397	22,231	–	25,603
Charge for year	414	–	2,549	–	2,963
Disposals	–	–	(1,161)	–	(1,161)
Reclassified as held for sale	–	(107)	–	–	(107)
Exchange movement	(100)	–	(653)	–	(753)
At 31 December 2021	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**
Net book value					
At 31 December 2022	**6,987**	**2,769**	**12,065**	**1,139**	**22,960**
At 31 December 2021	8,022	3,411	12,569	890	24,892

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 2021	5,202	6,739	74	–	12,015
Additions at cost	–	–	10	–	10
Reclassified as held for sale	–	(442)	–	–	(442)
Disposals	(1)	–	–	–	(1)
At 31 December 2021	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**
Accumulated depreciation and impairment					
At 1 January 2021	1,924	322	54	–	2,300
Charge for year	95	–	6	–	101
Reclassified as held for sale	–	(107)	–	–	(107)
At 31 December 2021	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**
Net book value					
At 31 December 2022	**2,131**	**5,290**	**28**	**–**	**7,449**
At 31 December 2021	3,182	6,082	24	–	9,288

The assets under construction relate to plant and machinery.

At 31 December 2022, 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 £6,313,000 (2021: £7,331,000); Company £1,269,000 (2021: £2,285,000). After undertaking professional independent valuations, 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 £8,068,000 (2021: £5,400,000), including assets held for sale.

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 2021	1	17,194	17,195
Exchange differences	–	(58)	(58)
Loans granted	–	2,588	2,588
At 31 December 2021	1	19,724	19,725
Exchange differences	–	59	59
Loans granted	–	2,322	2,322
At 31 December 2022	**1**	**22,105**	**22,106**
Amounts written off			
At 1 January 2021	–	2,617	2,617
Written off in the period	–	213	213
At 31 December 2021	–	2,830	2,830
Written off in the period	–	296	296
At 31 December 2022	**–**	**3,126**	**3,126**
Net book value			
At 31 December 2022	**1**	**18,979**	**18,980**
At 31 December 2021	1	16,894	16,895

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.

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
Schela Plast 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 Street, 93-231 Łódź, Poland; and Schela Plast A/S whose registered office is Erhvervsvej 2, 6650 Brørup, Denmark. The percentage shareholding for all subsidiaries is 100%.

15 Inventories	Group 2022 £'000	Group 2021 £'000
Raw materials, packaging and consumables	**3,190**	3,410
Work in progress	**99**	31
Finished goods and goods for resale	**1,866**	1,626
	5,155	5,067

Inventories are stated net of an allowance of £583,000 (2021: £708,000) in respect of excess, obsolete or slow-moving items.

Movements in the allowance were as follows:

Inventory provision movements	Group 2022 £'000	Group 2021 £'000
At 1 January	**(708)**	(625)
Acquisition of Schela Plast A/S	**–**	(250)
Utilisation	**111**	175
Unused amount reversed	**182**	332
Increase in allowance	**(168)**	(340)
At 31 December	**(583)**	(708)

16 Trade and other receivables	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade receivables	**9,134**	9,779	**223**	209
Less: provision for impairment of trade receivables	**(159)**	(218)	**(75)**	(2)
Trade receivables – net	**8,975**	9,561	**148**	207
Receivables from subsidiaries	**–**	–	**3,138**	4,434
Other receivables	**70**	244	**14**	20
Social security and other taxes	**215**	–	**215**	–
Prepayments	**262**	228	**110**	121
Trade and other receivables	**9,522**	10,033	**3,625**	4,782
Current tax assets	**–**	–	**9**	9
Total receivables	**9,522**	10,033	**3,634**	4,791

Trade terms are a maximum of 150 days credit. The average credit period taken is 66 days (2021: 64 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 £nil (2021: £121,000). There is no impairment of any receivables other than trade receivables. Trade receivables from one customer amounted to £1,056,000 at 31 December 2022 (2021: £1,047,000).

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 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

At 31 December 2021	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)	9,381	343	(23)	42	36	9,779
Credit loss allowance (£'000)	–	–	–	21	36	57

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 £30,000 (2021: £48,000) and credit note provisions of £45,000 (2021: £113,000).

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 2022 £'000**	Group 2021 £'000	**Company 2022 £'000**	Company 2021 £'000
At 1 January	**(218)**	(131)	**(2)**	(8)
Utilisation	**59**	34	**–**	6
Unused amount reversed	**157**	93	**–**	2
Charged to income statement	**(157)**	(214)	**(73)**	(2)
At 31 December	**(159)**	(218)	**(75)**	(2)

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 2022 or 31 December 2021 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 2022 £'000**	Group 2021 £'000	**Company 2022 £'000**	Company 2021 £'000
Property held for sale at 1 January	**238**	–	**335**	–
Reclassified from property, plant & equipment	**642**	238	**792**	335
Disposals	**(238)**	–	**(335)**	–
Property held for sale at 31 December	**642**	238	**792**	335

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 are currently being marketed for sale and for which a sale is anticipated in the next 12 months have been 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 2022 £'000**	Group 2021 £'000	**Company 2022 £'000**	Company 2021 £'000
Trade payables	**7,238**	6,161	**214**	141
Amounts due to subsidiaries	**–**	–	**5,099**	5,226
Social security and other taxes	**969**	777	**129**	157
Deferred consideration	**–**	2,261	**–**	–
Other payables	**442**	469	**60**	95
Accruals	**894**	605	**672**	407
	9,543	10,273	**6,174**	6,026

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 44 days (2021: 38).

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 2021	205	(168)	27	–	64
Charge to income	336	(384)	–	(240)	(288)
Acquisition of Schela Plast A/S	–	447	–	–	447
Charged through other comprehensive income	–	(54)	–	–	(54)
Exchange differences	–	11	8	–	19
At 31 December 2021	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**
Company					
At 1 January 2021	3	(562)	13	–	(546)
Charge to income	48	(162)	–	–	(114)
Charged through other comprehensive income	–	–	4	–	4
At 31 December 2021	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)**

	Group 2022 £'000	Group 2021 £'000	**Company 2022 £'000**	Company 2021 £'000
Deferred tax liability	**1,395**	1,376	**–**	68
Deferred tax asset	**(1,294)**	(1,188)	**(821)**	(724)
	101	188	**(821)**	(656)

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.

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 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**
At 31 December 2021						
Bank and other loans	66	9,585	9,651	–	8,700	8,700
Lease liabilities	1,615	4,636	6,251	–	–	–
Total	1,681	14,221	15,902	–	8,700	8,700

Bank and other loans are repayable as follows:	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Bank and other loans				
- within one year	**3,674**	66	**3,165**	–
- due after one and within two years	**4,136**	513	**4,085**	465
- due after two and within five years	**154**	8,380	**–**	8,235
- due after five years	**677**	692	**–**	–
	8,641	9,651	**7,250**	8,700

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 2022 was £6.1m (2021: £6.6m).

Bank and other loans include £5.5m (2021: £7m) of commercial mortgage agreements, which are denominated in Sterling and Danish Krone and the £2.7m (2021: £2.7m) loan from the Pension Escrow Account (see note 31 for more details) denominated in Sterling. The average remaining term is 2.9 years (2021: 3.8 years). For the year ended 31 December 2022, the average effective borrowing rate was 4.7% (2021: 1.8%). 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 3.9 years (2021: 4.5 years). For the year ended 31 December 2022, the average effective borrowing rate was 3.1% (2021: 1.95%). 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 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Right-of-use assets				
Plant and machinery	**7,033**	6,942	**–**	–
	7,033	6,942	**–**	–
Lease liabilities				
Current	**1,861**	1,615	**–**	–
Non-current	**3,776**	4,636	**–**	–
	5,637	6,251	**–**	–

Additions to right-of-use assets during the year amounted to £961,000 (2021: £3,201,000).

21 Leasing (continued)

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

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Depreciation charge on right-of-use assets				
Plant and machinery	**1,339**	1,039	**–**	–
	1,339	1,039	**–**	–
Interest expense (see note 4)	**171**	142	**–**	–

Leases are repayable as follows:

	Minimum lease payments		Present value of minimum lease payments	
Group	**2022 £'000**	2021 £'000	**2022 £'000**	2021 £'000
Amounts payable under lease contracts:				
- within one year	**1,948**	1,717	**1,861**	1,615
- after one and within five years	**3,423**	4,058	**3,264**	3,881
- after five years	**526**	780	**512**	755
	5,897	6,555	**5,637**	6,251
Less: future finance charges	**(260)**	(304)		
Present value of lease obligations	**5,637**	6,251		

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 2022, there was one transactions of this type raising £439,000 (2021: £1,475,000) 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. Expectations about the future residual values are reflected in the fair value of the properties. The Group carrying value of properties subject to operating leases is £3,792,000 (2021: £4,255,000), 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 2021	173
Movement in year	(45)
At 31 December 2021	128
Movement in year	**(12)**
At 31 December 2022	**116**

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 3.5% per annum, medical cost inflation of 10% per annum and individual life expectancy assumptions. Based on those assumptions, the provision is expected to be utilised over 28 years.

Notes to the financial statements continued

23 Called up share capital	2022 £'000	2021 £'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 (2021: 17,687,223)	**88**	88
Held in Treasury: 933,778 shares (2021: 933,778)	**(4)**	(4)
Net issued share capital: 16,753,445 shares (2021: 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 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Financial assets measured at amortised cost				
Trade receivables	**8,975**	9,561	**148**	207
Other receivables	**70**	244	**14**	20
Amounts due from subsidiaries	**–**	–	**3,138**	4,434
Cash at bank and on hand	**5,097**	2,775	**935**	319
	14,142	12,580	**4,235**	4,980
Financial liabilities measured at amortised cost				
Trade payables	**(7,238)**	(6,161)	**(214)**	(141)
Other payables	**(442)**	(469)	**(60)**	(95)
Accrued expenses	**(894)**	(605)	**(672)**	(407)
Amounts due to group undertakings	**–**	–	**(12,595)**	(11,421)
Bank overdrafts	**–**	–	**–**	–
Bank and other loans	**(8,641)**	(9,651)	**(7,250)**	(8,700)
Lease liabilities	**(5,637)**	(6,251)	**–**	–
	(22,852)	(23,137)	**(20,791)**	(20,764)
Net financial assets and liabilities	**(8,710)**	(10,557)	**(16,556)**	(15,784)
Non-financial assets and liabilities	**32,652**	32,227	**28,131**	27,019
Total equity	**23,942**	21,670	**11,575**	11,235

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 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Net assets by currency				
Sterling	**8,745**	3,708	**11,449**	10,673
Polish Zloty	**11,162**	13,000	**2**	(41)
Danish Krone	**4,257**	5,310	**–**	1,104
Euro	**(185)**	(356)	**124**	(502)
Others	**(37)**	8	**–**	–
Total	**23,942**	21,670	**11,575**	11,234

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

	Euro		Polish Zloty		Danish Krone	
Currency impact on financial instruments	**+10%**	**-10%**	**+10%**	**-10%**	**+10%**	**-10%**
Profit or loss for the year	17	(20)	(82)	100	392	(479)
Equity	17	(20)	(82)	100	392	(479)

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 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Floating rate				
Bank and other loans:				
- pension escrow loan	**(2,700)**	(2,700)	**(2,700)**	(2,700)
- commercial mortgages	**(4,550)**	(6,018)	**(4,550)**	(6,000)
- unactivated leases	**(459)**			
Lease liabilities	**(1,922)**	(4,002)	**–**	–
Cash at bank and on hand	**5,097**	2,775	**935**	319
	(4,534)	(9,945)	**(6,315)**	(8,381)
Fixed rate				
Bank and other loans:				
- commercial mortgages	**(932)**	(933)	**–**	–
Lease liabilities	**(3,715)**	(2,249)	**–**	–
	(4,647)	(3,182)	**–**	–
Total	**(9,181)**	(13,127)	**(6,315)**	(8,381)

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 2022, the weighted average interest rate payable on bank overdrafts was nil% (2021: nil%). At 31 December 2022, the weighted average interest rate payable on bank and other loans was 4.7% (2021: 1.8%). At 31 December 2022, the weighted average interest rate receivable on cash at bank and in hand was nil% (2021: 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 £96,000 (2021: £127,000), and the Company's profit before tax by £73,000 (2021: £87,000).

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 2022, the maximum exposure to credit risk (excluding intercompany balances in the Company) was as follows:

	Group 2022 £'000	Group 2021 £'000	**Company 2022 £'000**	Company 2021 £'000
Trade and other receivables:				
- Trade receivables	**9,134**	9,779	**223**	209
- Other receivables	**70**	244	**14**	20
	9,204	10,023	**237**	229
Cash at bank and on hand	**5,097**	2,775	**935**	319
Total	**14,301**	12,798	**1,172**	548

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 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**

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 2021				
Trade payables	6,161	–	–	6,161
Other financial liabilities	1,074	–	–	1,074
Bank and other loans:				
- principal	531	8,428	692	9,651
- interest	6	22	33	61
Minimum lease payments	1,717	4,058	780	6,555
	9,489	12,508	1,505	23,502

	Within one year £'000	After one and within five years £'000	After five years £'000	Total £'000
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**
Company				
At 31 December 2021				
Trade payables	141	–	–	141
Other financial liabilities	502	–	–	502
Bank and other loans:				
- principal	465	8,235	–	8,700
- interest	–	–	–	–
Amounts owed to subsidiaries	5,226	–	6,195	11,421
	6,334	8,235	6,195	20,764

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:	**2022 £'000**	2021 £'000	2020 £'000
Total equity	**23,942**	21,670	23,404
Net debt	**9,181**	13,127	6,865
Capital	**33,123**	34,797	30,269
Gearing (average net debt / average capital)	**33%**	31%	23%

Movements in Group net debt were as follows:

	At 31 December 2021 £'000	Exchange movements £'000	Non-cash movement in leases £'000	Debt acquired £'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)

	At 31 December 2020 £'000	Exchange movements £'000	Non-cash movement in leases £'000	Debt acquired £'000	Cash flows £'000	At 31 December 2021 £'000
Cash at bank and on hand	1,386	(85)	–	706	768	2,775
Bank overdrafts	(2,282)	–	–	–	2,282	–
Bank and other loans	(2,700)	–	–	(1,496)	(5,455)	(9,651)
Lease liabilities	(3,269)	70	–	(1,595)	(1,457)	(6,251)
Net debt	(6,865)	(15)	–	(2,385)	(3,862)	(13,127)

Movements in Company net debt were as follows:

	At 31 December 2021 £'000	Exchange movements £'000	Non-cash movement in leases £'000	Debt acquired £'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)

	At 31 December 2020 £'000	Exchange movements £'000	Non-cash movement in leases £'000	Debt acquired £'000	Cash flows £'000	At 31 December 2021 £'000
Cash at bank and on hand	839	–	–	–	(520)	319
Bank and other loans	(2,700)	–	–	–	(6,000)	(8,700)
Net debt	(1,861)	–	–	–	(6,520)	(8,381)

27 Capital commitments	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Contracted but not provided in these financial statements	**1,842**	321	**–**	–

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 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Current				
Floating charge:				
- Cash and cash equivalents	**2,884**	1,485	**935**	319
- Trade and other receivables	**6,009**	6,441	**497**	356
First mortgage:				
- Assets classified as held for sale	**642**	238	**792**	335
Total current assets pledged as security	**9,535**	8,164	**2,224**	1,010
Non-current				
First mortgage:				
- Land and buildings	**3,592**	3,876	**2,131**	3,182
- Surplus properties	**2,769**	3,411	**5,290**	6,082
	6,361	7,287	**7,421**	9,264
Lease liabilities:				
- Plant and equipment	**7,033**	7,321	**–**	–
	7,033	7,321	**–**	–
Floating charge:				
- Plant and equipment	**3,838**	3,657	**28**	23
	3,838	3,657	**28**	23
Total non-current assets pledged as security	**17,232**	18,265	**7,449**	9,287
Total assets pledged as security	**26,767**	26,429	**9,673**	10,297

Notes to the financial statements continued

29 Contingent liabilities

There were contingent liabilities at 31 December 2022 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 2022 was £1,922,000 (2021: £2,408,000). 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:

	2022 £'000	2021 £'000
Charges by the Company to its subsidiaries:		
– Rent	**577**	606
– Management charges	**921**	974
– Interest	**–**	11
Other charges (including costs incurred by the Company on behalf of its subsidiaries and subsequently recharged to them)	**7,055**	7,935
	8,553	9,526
Charges by the subsidiaries to the Company (mainly costs incurred by them on behalf of the Company and recharged to it)	**140**	211
Net balances due from subsidiaries outstanding at the year end	**9,522**	9,907

£8,207,000 of the net charges in 2022 related to UK subsidiaries (2021: £9,228,000).

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 £12,000 (2021: £12,000) were payable by the Company to a pension plan established for the benefit of its employees. At 31 December 2022, £1,000 (2021: £1,000) in respect of contributions due was included in other payables. An amount of £2.7m held in the Pension Escrow Account is loaned to the Company on commercial terms and secured on surplus property valued at £2.85m held by the Group (see note 31 for further details). In 2022, Robinson plc incurred and recharged expenses of £63,000 (2021: £32,000) on behalf of the pension plan and charged £33,000 (2021: £23,000) 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:

	2022 £'000	2021 £'000
Short-term employee benefits	**664**	696
IFRS 2 share option charge	**41**	44
	705	740

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

In December, 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 is no immediate benefit to cashflow from the buy-in transaction. The Group and the Plan trustees have long shared an ambition to achieve a buy-out of the liabilities when market conditions allow. The buy-in is the first step towards this goal, with a full buy-out proposed after a data cleanse exercise, which is expected to be completed by the end of 2023. In line with the Plan's rules, any surplus remaining in the Plan after the full buy-out would 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	2022 £'000	2021 £'000
Fair value of plan assets	**46,585**	69,051
Liability value (present value of funded obligation)	**(39,560)**	(55,852)
Surplus	**7,025**	13,199
Unrecognised assets due to asset ceiling	**(7,025)**	(13,199)
Net asset	**–**	–

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

- the Plan purchased buy-in policies over the year. The price paid for the annuities was greater than the value of the liabilities on an IAS19 basis.
- inflation experienced has been higher than was assumed which has increased the value placed on the liabilities, particularly once the 2023 revaluation order is incorporated (i.e inflation to September 2022). As the level of the 2023 statutory revaluation order is 10.1%, this has a considerable impact.
- the investment return achieved on the Plan's assets over the period was lower than the discount rate used last year.

The above has been partly offset by:

- the change in market conditions over the year. Bond yields have increased over the period, resulting in a higher discount rate and a lower liability value.
- the assumptions for future inflation are lower than last year, decreasing the value placed on Plans liabilities.

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)	2022 £'000	2021 £'000
DBO at beginning of year	**55,852**	57,605
Service cost	**118**	116
Interest on DBO	**1,038**	789
Employee contributions	**12**	12
Remeasurement – actuarial (gain)/loss from financial items	**(15,916)**	132
Remeasurement – actuarial (gain)/loss from demographic items	**1,030**	(229)
Benefits paid	**(2,574)**	(2,573)
DBO at end of year	**39,560**	55,852

Notes to the financial statements continued

31 Employee benefit obligations (continued)

Change in Plan assets	2022 £'000	2021 £'000
Fair value at beginning of year	**69,051**	66,903
Employee contributions	**12**	12
Interest income on Plan assets	**1,287**	918
Impact of interest on asset ceiling	**(249)**	(129)
Remeasurement – actuarial (loss)/gain	**(20,880)**	3,996
Benefits paid	**(2,574)**	(2,573)
Expenses paid	**(62)**	(76)
Fair value at end of year	**46,585**	69,051

Asset return	2022 £'000	2021 £'000
Interest income on Plan assets (expected return)	**1,287**	918
Impact of interest on asset ceiling	**(249)**	(129)
Remeasurement – actuarial (loss)/gain	**(20,880)**	3,996
Actual return on Plan assets	**(19,842)**	4,785

The following amounts were recognised in the income statement:

Income statement	2022 £'000	2021 £'000
Current service cost	**118**	116
Expenses	**62**	76
Net interest cost	**(249)**	(129)
Impact of interest on the asset ceiling	**249**	129
Total cost recognised in the income statement	**180**	192
The following amounts were recognised in the statement of other comprehensive income:		
Remeasurement DBO – actuarial (gain)/loss from financial items	**(15,916)**	132
Remeasurement DBO – actuarial loss/(gain) from demographic items	**1,030**	(229)
Remeasurement Plan assets – actuarial loss/(gain) on assets	**20,880**	(3,996)
Effect of asset limitation and minimum funding requirement	**(6,174)**	3,901
Total gain not recognised in other comprehensive income	**(180)**	(192)
Cumulative actuarial losses recognised in other comprehensive income	**11,112**	11,292
Reconciliation of prepaid/(accrued) pension cost		
Net periodic pension cost	**180**	192
Impact of limit on net assets	**(6,174)**	3,901
Remeasurements – actuarial (gains)/losses not recognised in other comprehensive income	**5,994**	(4,093)
Prepaid/(accrued) at end of year (IAS)	**–**	–
Change in asset ceiling + additional liability IFRIC14		
Asset not recognised at beginning of year	**13,199**	9,298
Changes in unrecognised asset due to asset ceiling	**(6,174)**	3,901
Asset not recognised at end of year	**7,025**	13,199

31 Employee benefit obligations (continued)

Key assumptions used were:	2022	2021	2022	2021
	Weighted average			
Discount rate at beginning of year	**1.9%**	1.4%		
Discount rate at end of year	**4.8%**	1.9%	**4.8%**	1.9%
RPI inflation			**3.1%**	3.9%
CPI inflation			**2.1%**	2.9%
Salary inflation			**3.4%**	4.2%
Expected return on assets	**4.8%**	1.9%	**4.8%**	1.9%
Mortality (average)			**S3PXA**	S3PXA
Mortality improvements			**CMI2020[1%]**	CMI2020[1%]

The average life expectancy of a pensioner is as follows:	2022	2021
Life expectancy of 45 year old man at the age of 65 years	**22.9**	22.8
Life expectancy of 45 year old woman at the age of 65 years	**25.5**	25.3
Life expectancy of 65 year old man at the age of 65 years	**22.0**	21.8
Life expectancy of 65 year old woman at the age of 65 years	**24.3**	24.1

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. The outcome of the next actuarial valuation due in April 2023 (or before, subject to certain conditions being met) will determine whether the funds in the escrow account will be paid over to the Plan, returned to the Group or whether some other arrangements will be made.

It has previously been considered likely that the escrow account funds will be returned to the Plan, and therefore, it has been disclosed as an asset of the Plan. Following the purchase of the buy-in policy, which subject to a data cleanse process, will match the Plan liabilities, there is now an increased probability that the funds will be returned to the Group. £2.7m of the escrow account is loaned to the Group on commercial terms and is secured on surplus property valued at £2.85m held by the Group. The total funds in the escrow account as at 31 December 2022, including the £2.7m loan receivable, amounted to £3.2m (2021: £3.1m). If the funds are returned to the Group, the net debt position will improve by £3.2m.

Asset class allocation

The major categories of Plan assets are as follows:	2022	2021
Equity securities	**–**	34.6%
Debt securities	**–**	50.9%
Real estate	**–**	5.9%
Annuities	**84.9%**	–
Other	**7.0%**	4.6%
Cash	**8.1%**	4.0%
	100%	100%
Weighted average duration of the Plan (years)	**12**	14
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 2022, 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 2022 is shown below:

	EMI Plan 2004	Weighted average price (p)	Incentive Plan 2016	Weighted average price (p)
Outstanding at 31 December 2020	207,550	112.3	733,000	120.6
Exercised	(140,056)	69.0	–	–
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**
Exercisable at 31 December 2022	**67,494**	**202.0**	**133,000**	**130.0**
Exercisable at 31 December 2021	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 6.5 years (2021: 7.5 years).

The total charge in the year ended 31 December 2022 relating to employee share-based payment plans, in accordance with IFRS 2, was £45,000 (2021: £50,000). All of which was related to equity-settled share-based payment transactions.

33 Contingent asset

There is a contingent asset at 31 December 2022 in relation to the Pension Escrow Account of £3,244,000 (2021: £nil). The outcome of the next actuarial valuation of the pension scheme, due in April 2023 (or before, subject to certain conditions being met) will determine whether the funds in the escrow account will be paid over to the pension scheme, returned to the Group or whether some other arrangements will be made. 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. For the purpose of impairment testing, goodwill is allocated to each of the Group's CGUs expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On the disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Goodwill recorded in foreign currencies is retranslated at each period end. Any movements in the carrying value of goodwill as a result of foreign exchange rate movements are recognised in the Statement of comprehensive income.

Other intangible assets

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

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 £5.5m of commercial mortgages which are committed to at least March 2026, the Pension escrow loan of £2.7m 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 Group has renegotiated these facilities on acceptable terms. 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:

- 9% reduction in planned revenues;
- 1% reduction in planned gross margins;
- 5% increase in planned fixed costs; 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;
- future sales of surplus property;
- suspension of dividend payments to shareholders; and
- the return of the Pension Escrow Fund to the Company.

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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, other intangible assets and property, plant and equipment
The Group tests goodwill, intangible assets and property, plant and equipment annually for impairment, or more frequently if there are indications that an impairment may be required. Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Further details on this process are set out in note 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
IAS 16 *Property, Plant and Equipment (Amendment)*: Proceeds Before Intended Use	1 January 2022
IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*: *(Amendment)*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS 3 *Business Combinations (Amendment)*: Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRSs (2018 – 2020 cycle)	1 January 2022

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
IFRS 17 *Insurance Contracts and Amendments to IFRS 17*	1 January 2023
IFRS 17 Insurance Contracts (Amendment): Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023
IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (Amendment): Disclosure of Accounting Policies	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment): Definition of Accounting Estimates	1 January 2023
IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IAS 1 Presentation of Financial Statements (Amendment): Classification of Liabilities as Current or Non-current and Classification of Non-current Liabilities with covenants	1 January 2024
IFRS 16 Leases (Amendment): Lease Liability in a Sale and Leaseback	1 January 2024

Comment on standards effective from 1 January 2022

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 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 2022 which comprise group income statement, the group statement of comprehensive income, the group and company statement of financial position, the group and company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and 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 2022 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	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. 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; and • Substantive testing of a sample of revenue transactions around the year end to ensure they were accounted for in the correct period. A sample of accruals were also tested to ensure appropriate revenue recognition. • Performed 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 instructions. **Our observations** Our work performed in relation to controls over the recognition of revenue confirmed that the controls in place were designed and implemented effectively. Based on our work performed on transactions around the year end, revenue was appropriately recognised in the correct period.

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

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

Group materiality

Overall materiality	£758,000
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 £606,000, which represents 80% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £23,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Parent company materiality

Overall materiality	£347,000
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 £277,000, which represents 80% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £10,000 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, Portland Works Limited and Walton Mill (Chesterfield) Limited within the group were subject to full scope audit performed by the group audit team. Robinson Packaging Polska SP z.o.o and Schela Plast A/S were 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.

Also at the Group level, the group audit team also tested the consolidation process and carried out analytical procedures on all other non-significant components 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.

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

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.

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.

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

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

29 March 2023

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, Chesterfield S45 0LW
on Thursday 22 June 2023 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 report of the Directors and the audited financial statements for the year ended 31 December 2022
2. to declare a final dividend for the year ended 31 December 2022 of 3p per ordinary share in the capital of the Company, to be paid on 21 July 2023 to shareholders whose names appear on the register at the close of business on 7 July 2023
3. to reappoint Sara Halton as a Director of the Company who retires by rotation
4. to reappoint Helene Roberts 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
28 April 2023

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.

To be valid, Forms of Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting, or if the meeting is adjourned, no later than 48 hours before the time of any 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 20 June 2023 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 or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after 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 22 June 2023 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 11.30 am on 22 June 2023 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 2022	* For	* Against	* Withheld
2. To declare a final dividend of 3p per ordinary share	* For	* Against	* Withheld
3. To reappoint Sara Halton as a Director	* For	* Against	* Withheld
4. To reappoint Helene Roberts 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, not less than 48 hours before the time appointed for the meeting.

Annual General Meeting attendance form

Annual General Meeting
Thursday 22 June 2023

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, Chesterfield S45 0LW at 11:30 am.

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

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

Thank you and we look forward to seeing you.

From:

Full Name in CAPITALS please

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

Please tick the appropriate boxes.

Signature

Date

Please return this form to:

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

Directors and Advisers

Directors
Alan Raleigh Non-executive Chairman
Sara Halton Senior Independent Director
Guy Robinson Non-executive Director
Helene Roberts Chief Executive
Mike Cusick Finance Director

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

Nominated Adviser/Broker
finnCap, One 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, 33 Park Place, Leeds, LS1 2RY

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

Banker
HSBC, 1 Bond Court, Leeds, LS1 2JZ

The Company is incorporated in England, registered no. 39811

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