Robinson & Sons Limited

Registered Number: 39811

Report and accounts for the year ended 31 December 1996

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Directors' report for the year ended 31 December 1996

The directors present their report and the audited financial statements of the Group for the year ended 31 December 1996.

Principal activities

The principal activities of the Group are the manufacture and marketing of personal hygiene and healthcare products and the manufacture and marketing of paperboard and plastic packaging.

Review of business

Operating profit showed a considerable improvement on 1995. This improvement was particularly marked in Healthcare, where overheads were reduced, whilst the Packaging businesses benefited from increased sales. Exports to Europe increased by 22% bringing the total exports to over 14% of Group sales.

Sales of property in the previous year created exceptional profits and as there were no corresponding gains this year the profit before tax only showed a small improvement. The tax charge was lower than normal due to the recovery of advance corporation tax written off following the share re-purchase in 1995.

Results

	1996 £'000	1995 £'000
Operating profit for the year	**3,463**	1,813
Profit before taxation for the year	**3,834**	3,647

Dividends

The directors have declared or now recommend the following dividends in respect of the year ended 31 December 1996.

	£
Interim of £1.30 per share, paid 1 October 1996	293,362
Interim of £1.30 per share, payable 7 April 1997	293,362
Proposed final dividend of 60p per share, payable 22 May 1997	135,398

Directors and directors' interests

The directors of the company during the year together with their interests were as follows:

	Shares		Share options		
	31 December	1 January	31 December	1 January	Exercised
Beneficially held					
B P Ford (appointed 7.3.96)	-	-*	-	-*	-
A K Slipper (resigned 9.5.96)	-*	-	-*	-	-
P B Robinson	3,236	3,183	600	600	-
D F Robinson (retired 30.8.96)	752*	752	1000*	1,000	-
C W G Robinson	1,480	1,080	600	1,000	400
A J J Simonds-Gooding	-	-	-	-	-
C C A Glossop	2,000	2,000	-	-	-
Held as Trustee					
P B Robinson	31,343	31,200			
D F Robinson	22,909*	22,766			
C W G Robinson	23,364	23,188			

* On appointment or retirement

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

The Company maintains insurance cover to protect directors and officers in respect of their duties as directors and officers of the Group.

During the year none of the directors had any material interest in any contract of significance in relation to the Group's business.

In accordance with the Company's Articles of Association, C W G Robinson retires by rotation and offers himself for re-election.

Charitable and political contributions

During the year the Group made charitable contributions totalling £3,335 (1995: £4,116). No contributions were made to political organisations.

Employees

The Group recognises the need to ensure effective communications with employees. During the year, they were provided with financial and other information affecting the Group and its various operations, by means of the house magazine, and quarterly briefings and newsletters. Consultative committees in the different areas of the Group enabled the views of employees to be heard and taken into account when making decisions likely to affect their interests.

Research and development

The Group has continued its commitment to the development and research of existing and new products.

Health and safety

Group policy is to provide and maintain a safe and healthy working environment for all employees and other people who may be affected by our activities and to provide such information, training and supervision as is required for this purpose.

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 particular aptitudes and abilities and the responsibility and physical demands of the job. Disabled employees are provided with equal opportunities as regards training and career development.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31 December 1996. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

By order of the Board

Guy Robinson
Secretary
Chesterfield
26 March 1997

Report of the auditors to the members of Robinson & Sons Limited

We have audited the financial statements on pages 4 to 17.

Respective responsibilities of directors and auditors.

As described on page 2 the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 31 December 1996 and of the profit, total recognised gains and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors
Nottingham

26 March 1997

Group profit and loss account for the year ended 31 December 1996

	Notes	1996 £'000	1995 £'000
Turnover	1	**51,192**	48,281
Cost of sales		**39,017**	36,826
Gross Profit		**12,175**	11,455
Overheads	2	**8,712**	9,642
Operating profit		**3,463**	1,813
Profit on sale of properties		-	1,179
Profit on disposal of discontinued operations		-	217
Profit on ordinary activities before interest		**3,463**	3,209
Interest	5	**371**	438
Profit on ordinary activities before taxation	1	**3,834**	3,647
Taxation	6	**(661)**	(1,032)
Profit on ordinary activities after taxation		**3,173**	2,615
Dividends	7	**(722)**	(582)
Retained profit for the year	19	**2,451**	2,033

There are no recognised gains or losses in the period other than the profit for the financial year.

Note of historical cost profits and losses

Profit on ordinary activities before taxation	**3,834**	3,647
Realisation of property revaluation gains of prior years	**51**	545
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**(19)**	(23)
Historical cost profit on ordinary activities before taxation	**3,866**	4,169
Historical cost profit for the year retained after taxation and dividends	**2,483**	2,555

Group balance sheet at 31 December 1996

	Notes	1996 £'000	1995 £'000
Fixed assets			
Tangible assets	8	**16,123**	16,771
Investments	9	**-**	1
		16,123	16,772
Current assets			
Stocks	10	**6,785**	7,358
Debtors	11	**12,710**	10,261
Investments	12	**550**	521
Cash at bank and in hand	12	**8,210**	7,569
		28,255	25,709
Creditors: amounts falling due within one year	13	**(11,375)**	(11,645)
Net current assets		**16,880**	14,064
Total assets less current liabilities		**33,003**	30,836
Creditors: amounts falling due after more than one year	14	**-**	(52)
Provisions for liabilities and charges	15	**(765)**	(1,066)
Net assets		**32,238**	29,718
Capital and reserves			
Called up share capital	17	**226**	224
Share premium account	19	**181**	114
Capital redemption reserve fund	19	**67**	67
Revaluation reserves	19	**4,758**	4,820
Profit and loss account	19	**27,006**	24,493
Equity Shareholders' funds	20	**32,238**	29,718

The financial statements on pages 4 to 17 were approved by the directors on 26 March 1997.

B P Ford
P B Robinson
Directors

Company balance sheet at 31 December 1996

	Notes	1996 £'000	1995 £'000
Fixed assets			
Tangible assets	8	**16,122**	16,770
Investments	9	**544**	545
		16,666	17,315
Current assets			
Stocks	10	**6,785**	7,358
Debtors	11	**13,416**	10,967
Investments	12	**550**	521
Cash at bank and in hand	12	**8,210**	7,569
		28,961	26,415
Creditors: amounts falling due within one year	13	**(12,645)**	(12,916)
Net current assets		**16,316**	13,499
Total assets less current liabilities		**32,982**	30,814
Creditors: amounts falling due after more than one year	14	**(2,512)**	(2,817)
Provisions for liabilities and charges	15	**(765)**	(1,066)
Net assets		**29,705**	26,931
Capital and reserves			
Called up share capital	17	**226**	224
Share premium account	19	**181**	114
Capital redemption reserve fund	19	**67**	67
Revaluation reserves	19	**4,779**	4,851
Profit and loss account	19	**24,452**	21,675
Equity Shareholders' funds		**29,705**	26,931

The financial statements on pages 4 to 17 were approved by the directors on 26 March 1997.

B P Ford
P B Robinson
Directors

Group cash flow statement for the year ended 31 December 1996

	1996 £000	1995 £000
Cash inflow from trading activities		
Operating profit	3,463	1,813
Depreciation charges	2,096	1,954
(Profit)/loss on sale of other tangible fixed assets	(49)	9
Decrease in stocks	573	2,750
(Increase)/decrease in debtors	(2,416)	1,794
(Decrease) in creditors	(522)	(1,954)
(Decrease)/Increase in provisions	(338)	223
(Increase) in value of current investment	(29)	(21)
Net cash inflow from trading activities	2,778	6,568
Returns on investments and servicing of finance		
Interest received	349	451
Interest paid	(11)	(8)
Net cash inflow from returns on investments and servicing of finance	338	443
Taxation		
UK corporation tax paid	(443)	(1,568)
Capital expenditure and financial investment		
Acquisition of tangible fixed assets	(1,642)	(3,029)
Sale of fixed assets of Carton Packaging business	-	2,830
Sale of non-operational properties	-	1,835
Sales of other tangible fixed assets	243	89
Sale of fixed asset investments	1	19
Net cash (outflow)/inflow from investing activities	(1,398)	1,744
Equity dividends paid	(651)	(543)
Net cash inflow before use of liquid resources and financing	624	6,644
Management of liquid resources		
Decrease/(increase) in short term cash deposits with UK banks	-	(2,000)
Acquisition of current asset investment	-	(500)
Net cash inflow/(outflow) from management of liquid resources	-	(2,500)
Financing		
Repurchase of share capital	-	(5,655)
Issue of share capital	70	25
Capital element of finance lease rental payments	(53)	(51)
Net cash inflow/(outflow) from financing	17	(5,681)
Increase/(decrease) in cash and cash equivalents (note 23)	641	(1,537)
Analysis of changes in cash and cash equivalents during the year		
Balance at 31 December 1996	1,710	1,069
Balance at 31 December 1995	1,069	2,606
Net cash inflow/(outflow)	641	(1,537)

Notes to the financial statements for the year ended 31 December 1996

1 Turnover and profit on ordinary activities before taxation

The analysis of turnover during the year was as follows:	1996 £'000	1995 £'000
Healthcare	31,888	30,604
Packaging	19,304	17,677
	51,192	48,281

Turnover was attributable to the following geographical markets:		
United Kingdom	43,817	41,792
E.C.	3,615	2,952
Other	3,760	3,537
	51,192	48,281

The analysis of profit on ordinary activities before taxation during the year was as follows:		
Healthcare	1,468	333
Packaging - continuing operations	1,995	1,480
- discontinued operations	-	217
Interest	371	438
Profit on sale of properties	-	1,179
	3,834	3,647

Profit on ordinary activities before taxation is stated after charging:		
Depreciation		
Owned fixed assets	2034	1923
Fixed assets held under finance leases	27	31
Auditors' remuneration		
Audit	35	35
Other services	28	40
(Profit)/loss on foreign exchange	(94)	3
Hire of plant and machinery - operating leases	87	101

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements and its profit after taxation for the financial year amounted to £3,436,000.

2 Overheads

	1996 £'000	1995 £'000
Selling, marketing and distribution costs	6,526	6,528
Administrative expenses	2,612	3,115
	9,138	9,643
Exceptional items:		
Redundancy	56	459
Other operating income - rental income	(482)	(460)
	8,712	9,642

3 Directors' emoluments

The remuneration paid to the directors was:

	1996 £'000	1995 £'000
Fees	36	25
Other emoluments (including pension contributions and benefits in kind)	389	373
Pensions paid to former directors	17	32

The pensions paid to former directors are charged to the provision for post-retirement benefits.

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	1996 £'000	1995 £'000
The chairman		
B P Ford	16	-
A K Slipper (as chairman)	9	25
The highest paid director	127	106

The number of directors (including the chairmen and highest paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1996 Number	1995 Number
£5,001 - £10,000	-	1
£10,001 - £15,000	2	1
£15,001 - £20,000	1	1
£20,001 - £25,000	1	1
£70,001 - £75,000	-	1
£85,001 - £90,000	2	1
£105,001 - £110,000	-	1
£125,001 - £130,000	1	-

4 Employee information

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

	1996 Number	1995 Number
Healthcare	515	554
Packaging	411	410
Others	40	46
	966	1,010

Staff costs (for the above persons):	£'000	£'000
Wages and salaries	13,012	12,603
Social security costs	1,192	1,148
Pension credits	(225)	(109)
	13,979	13,642

5 Interest

	1996 £'000	1995 £'000
Investment income		
Income from short term deposits and loans	353	430
Increase in value of quoted investment	29	21
	382	451
Interest payable on bank overdrafts and other loans:		
Repayable within five years, not by instalments	(9)	(7)
On finance leases and hire purchase contracts	(2)	(6)
	371	438

6 Taxation

	1996 £'000	1995 £'000
UK corporation tax at 33% on the income for the year		
Current	1,186	802
Deferred	96	(881)
	1,282	(79)
Over-provision in respect of prior years		
Corporation tax	(24)	-
Advance corporation tax recoverable	(597)	-
Irrecoverable advance corporation tax arising from the repurchase of shares	-	1,111
	661	1,032

7 Dividends

	1996 £'000	1995 £'000
Ordinary: first interim paid	293	224
second interim payable	293	224
final proposed	136	134
	722	582

8 Tangible fixed assets

	Freehold land and buildings	Long leasehold land and buildings	Plant and machinery	Total
Group	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 1996	8,324	105	22,837	31,266
Additions at cost	-	-	1,642	1,642
Disposals	(54)	-	(1,013)	(1,067)
At 31 December 1996	8,270	105	23,466	31,841
Depreciation				
At 1 January 1996	105	3	14,387	14,495
Charge for year	108	2	1,956	2,066
Provision for permanent diminution in value	-	30	-	30
Eliminated in respect of disposals	-	-	(873)	(873)
At 31 December 1996	213	35	15,470	15,718
Net book value				
At 31 December 1996	8,057	70	7,996	16,123
At 1 January 1996	8,219	102	8,450	16,771
Cost or valuation at 31 December 1996 is represented by:				
Valuation in 1994	7,881	105	-	7,986
Cost	389	-	23,466	23,855
	8,270	105	23,466	31,841

	Freehold land and buildings	Long leasehold land and buildings	Plant and machinery	Total
Company				
Cost or valuation				
At 1 January 1996	8,323	105	22,837	31,265
Additions at cost	-	-	1,642	1,642
Disposals	(54)	-	(1,013)	(1,067)
At 31 December 1996	8,269	105	23,466	31,840
Depreciation				
At 1 January 1996	105	3	14,387	14,495
Charge for year	108	2	1,956	2,066
Provision for permanent diminution in value	-	30	-	30
Eliminated in respect of disposals	-	-	(873)	(873)
At 31 December 1996	213	35	15,470	15,718
Net book value				
At 31 December 1996	8,056	70	7,996	16,122
At 1 January 1996	8,218	102	8,450	16,770
Cost or valuation at 31 December 1996 is represented by:				
Valuation in 1994	7,880	105	-	7,985
Cost	389	-	23,466	23,855
	8,269	105	23,466	31,840

If land and buildings had not been revalued they would have been included at the following amounts in both the Group and the Company:

	1996	1995
	£'000	£'000
Cost	**6,239**	6,242
Aggregate depreciation based on cost	**2,931**	2,802

The net book value of tangible assets includes an amount of £30,000 (1995: £58,000) in respect of plant and machinery held under finance leases.

9 Fixed asset investments

Group	Other Investments £'000
Cost and net book value	
At 1 January 1996	1
Disposals	(1)
At 31 December 1996	-

Company	Interests in group undertakings £'000	Loans to group undertakings £'000	Other investments £'000	Total £'000
Cost				
At 1 January 1996	948	125	1	1,074
Disposals	-	-	(1)	(1)
At 31 December 1996	948	125	-	1,073
Amounts written off				
At 1 January 1996 and 31 December 1996	404	125	-	529
Net book value				
At 31 December 1996	544	-	-	544
At 1 January 1996	544	-	1	545

Particulars of the Company's subsidiaries are not included in these financial statements because none of the subsidiaries carried on business during the year.

10 Stocks

	Group and Company 1996 £'000	1995 £'000
Raw materials and consumables	2,629	3,402
Work in progress	342	402
Finished goods and goods for resale	3,814	3,554
	6,785	7,358

11 Debtors

	Group		Company	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
Amounts falling due after more than one year:				
Prepayments and accrued income	1,706	1,387	1,706	1,387
Amounts falling due within one year:				
Trade debtors	9,773	8,332	9,773	8,332
Amounts owed by group undertakings	-	-	706	706
Other debtors	873	256	873	256
Prepayments and accrued income	358	286	358	286
	11,004	8,874	11,710	9,580
	12,710	10,261	13,416	10,967

12 Current asset investments and cash

An investment listed on the London Stock Exchange has been included in the financial statements at its current market value of £550,000 (1995: 521,000). This treatment, which is contrary to the requirements of the Companies Act 1985, under which the asset would be shown at a cost of £500,000, is required in order to give a true and fair view of the state of affairs of the Company and the Group and to recognise in the financial statements the increase in value of the investment during the period. Cash includes the following:

	1996 £'000	1995 £'000
Cash in hand and deposits repayable on demand	1,710	1,069
Short term deposits with UK banks	6,500	6,500
	8,210	7,569

13 Creditors: amounts falling due within one year

	Group		Company	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
Obligations under finance leases	55	55	55	55
Trade creditors	5,862	6,622	5,862	6,622
Amounts owed to group undertakings	-	-	1,272	1,272
Corporation tax payable	502	339	502	339
Advance corporation tax	107	89	107	89
Social security and other taxes	1,351	1,550	1,350	1,550
Other creditors	1,339	1,309	1,339	1,309
Accruals and deferred income	1,730	1,323	1,729	1,322
Proposed dividends	429	358	429	358
	11,375	11,645	12,645	12,916

14 Creditors: amounts falling due after more than one year

	Group		Company	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
Obligations under finance leases	-	52	-	52
Amounts owed to group undertakings	-	-	2,512	2,765
	-	52	2,512	2,817

The net finance lease obligations to which the Group and the Company are committed are:

	1996 £'000	1995 £'000
In one year or less	55	55
Between two and five years	-	52
	55	107

15 Provisions for liabilities and charges

	Post-retirement benefits £'000	Re-structuring provisions £'000	Deferred taxation £'000	Total £'000
Group and Company				
At 1 January 1996	436	542	88	1,066
Transferred from profit and loss account in the year	-	-	37	37
Utilised in year	(46)	(292)	-	(338)
At 31 December 1996	390	250	125	765

Deferred taxation

Deferred taxation provided in the financial statements and the amount unprovided of the total potential liability are follows:

	Amount provided		Amount unprovided	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
Tax effect of timing differences:				
Excess of tax allowances over depreciation	-	175	1,383	1320
Short term timing differences	319	48	-	-
Advance corporation tax	(194)	(135)	(515)	(800)
	125	88	868	520

The directors consider that the potential amount of deferred tax on the revalued assets not provided for does not constitute a timing difference. The amount of deferred tax has not been quantified.

16 Pensions and similar obligations

The Group operates one principal pension scheme, namely the Robinson & Sons Limited Pension Fund. This scheme, of which approximately 32% of employees are members, is of the defined benefit type with assets held in separate trustee administered accounts. On 6 April 1996 the Robinson & Sons Limited Executive Pension and Life Assurance Plan was merged with the scheme.

Contributions to the pension schemes are made and the pension cost is assessed in accordance with the advice of an independent qualified actuary using the attained age method.

The latest actuarial assessments of these schemes were as at 5 April 1994. The most significant assumptions were:

Investment return	9% per annum
Increase in pensionable earnings	7% - 7.5% per annum
Dividend growth	4% per annum
Pension increases	5% per annum

The pension credit for the period was £252,000 (1995: £124,000). This recognises the excess of assets over liabilities in the pension schemes existing at the time of the actuarial valuation. This excess, which has been calculated on the same assumptions as the actuarial valuation, with the exception of dividend growth of 4.5% per annum, has been spread over the average remaining service lives of employees. There is a prepayment of £1,706,000 (1995: £1,387,000) representing the excess contributions paid over the amount charged to the accounts.

At the most recent actuarial valuations as at 5th April 1994, the defined benefit schemes had assets with a market value of £28.4m. The actuarial value of the scheme assets represented 119% of the liabilities for benefits that had accrued to members, after allowing for expected future increases in earnings.

The Group provides unfunded pensions, medical insurance and other benefits to certain retired employees and medical insurance to existing executive directors on retirement. The actuarial value of the obligation in respect of past service at 31 December 1993 was determined in accordance with the advice of qualified actuaries and provision was made against which the cost of the obligations has been charged. The credit to the profit and loss account in this respect for 1996 was £48,000 (1995: £59,000). The principal assumptions used in determining the required provisions are of a discount rate of 9% per annum and an inflation rate of 5% per annum (11% for medical insurance).

17 Called up share capital

	1996 £	1995 £
Authorised:		
350,500 ordinary shares of £1 each	**350,500**	350,500
Allotted, called up and fully paid:		
225,663 (1995: 223,863) ordinary shares of £1 each	**225,663**	223,863

1,800 ordinary shares of £1 each were allotted for a consideration of £69,700 in respect of share options exercised.

18 Options in shares of Robinson & Sons Limited

Options over 3,600 (1995: 7,000) ordinary shares of £1 each are outstanding. These can be exercised on or after 1 January 1997 at £46.00 per share. Options over 1,600 (1995: 1,400) shares lapsed during the year.

19 Reserves

	Share premium account £'000	Capital redemption reserve fund £'000	Revaluation reserve £'000	Profit and loss account £'000
Group				
At 1 January 1996	114	67	4,820	24,493
Premium on shares issued (note 17)	67	-	-	-
Release of revaluation reserves as a result of property transactions	-	-	(62)	62
Retained profit for the year	-	-	-	2,451
At 31 December 1996	181	67	4,758	27,006
Company				
At 1 January 1996	114	67	4,851	21,675
Exchange difference	-	-	(10)	10
Premium on shares issued (note 17)	67	-	-	-
Release of revaluation reserves as a result of property transactions	-	-	(62)	62
Retained profit for the year	-	-	-	2,705
At 31 December 1996	181	67	4,779	24,452

20 Reconciliation of movements in shareholders' funds

	1996 £'000	1995 £'000
Profit after taxation for the financial year	3,173	2,615
Dividends	(722)	(582)
	2,451	2,033
New share capital issued	69	25
Purchase of own shares	-	(5,655)
Net addition to/(reduction in) to shareholders' funds	2,520	(3,597)
Shareholders' funds at 1 January 1996	29,718	33,315
Shareholders' funds at 31 December 1996	32,238	29,718

21 Capital commitments

	Group and Company 1996 £'000	1995 £'000
Contracted but not provided for in these accounts	539	362

22 Financial commitments

At 31 December 1996 the Group and Company had annual commitments under non-cancellable operating leases as follows:

	1996		1995	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiring within one year	-	31	-	10
Expiring between two and five years inclusive	-	-	-	31
	-	31	-	41

23 Analysis of net funds

	At 1 Jan 1996 £'000	Cash Flow £'000	Non cash changes £'000	At 31 Dec 1996 £'000
Cash in hand and deposits repayable on demand	1,069	641	-	1,710
Short term deposits with UK banks	6,500	-	-	6,500
Current asset investment	521	-	29	550
	8,090	641	29	8,760

24 Related party transactions

During the year the Company made a secured loan towards the purchase of a house to G Gray, the Managing Director of the Healthcare business unit. At 31 December 1996 an amount of £96,000 was oustanding, on which an interest rate of 6.5 per cent per annum was being charged. The loan is expected to be repaid during 1997.

25 Accounting policies

The financial statements are prepared in accordance with applicable accounting standards in the United
A summary of the more important Group accounting policies, which have been applied consistently, is gi

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the rev of land and buildings.

Consolidation

The Group financial statements include the audited financial statements of the Company and all its subsi companies.

Turnover

Turnover represents external revenue from sales of products, exclusive of value added tax and trade dis

Deferred taxation

Deferred taxation is computed using the liability method, whereby such taxation is determined by applyin rate of tax applicable at the balance sheet date to the accumulated timing differences. It is not provided the opinion of the directors, there is reasonable evidence that such taxation will not become payable in th foreseeable future.

Depreciation

Depreciation is provided at various rates calculated to reduce the cost of fixed assets to residual values end of their expected useful lives, which are principally as follows:

Buildings, excluding residential properties	40 years
Plant and equipment	4 to 20 years

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost, in the case of own manufactured it comprises the cost of labour, materials and attributable overhead expenses.

Robinson & Sons Limited

Five year record

Year ended 31 December

	1992 £'000s	1993 £'000s	1994 £'000s	1995 £'000s	1996 £'000s
Profit and loss account					
Turnover					
Continuing	44,360	44,916	45,984	48,281	51,192
Discontinued	17,633	15,084	13,722	-	-
Total turnover	61,993	60,000	59,706	48,281	51,192
Gross profit					
Continuing	12,171	11,980	12,456	11,455	12,175
Discontinued	2,513	1,916	1,596	-	-
Total gross profit	14,684	13,896	14,052	11,455	12,175
Operating profit					
Continuing	1,652	2,377	3,138	1,813	3,463
Discontinued	432	562	38	-	-
Total operating profit	2,084	2,939	3,176	1,813	3,463
Exceptional items	-	(500)	518	1,396	-
Interest	11	91	104	438	371
Profit before tax	2,095	2,530	3,798	3,647	3,834
Taxation	(177)	(194)	(1,157)	(1,032)	(661)
Dividends	(411)	(516)	(580)	(582)	(722)
Retained profit	1,507	1,820	2,061	2,033	2,451
Net assets	30,314	32,042	33,315	29,718	32,238

Operating profit:sales					
(continuing operations)	3.7%	5.3%	6.8%	3.8%	6.8%
Return on shareholders' funds	6.9%	7.9%	11.4%	12.3%	11.9%
Earnings per share	£7.61	£8.16	£9.16	£10.03	£14.14

Notice of meeting

Notice is hereby given that the Annual General Meeting of Robinson & Sons Limited will be held at Field House, Wheat Bridge, Chesterfield on Thursday 8 May 1997 at 11.00 am for the following purposes:

1. To adopt the Directors' report and financial statements for the year ended 31 December 1996.

2. To declare a final dividend.

3. To re-elect directors.

4. To appoint the auditors and authorise the directors to fix their remuneration.

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

By order of the Board

C W G Robinson
Director and Secretary
26 March 1997

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 meeting.