Registered number 1102042

Coal Products Limited

Annual report

for the year ended 31 March 2011

Coal Products Limited

Annual report

for the year ended 31 March 2011

Contents

Coal Products Limited

Directors and advisers for the year ended 31 March 2011

Directors
T W Minett
D Wake
P Scott
S J Chisholm
A Bishop

Company secretary and registered office
S Armitage
Mill Lane
Wingerworth
Chesterfield
Derbyshire
S42 6NG

Independent registered auditors
PricewaterhouseCoopers LLP
Chartered accountants and statutory auditors
1 East Parade
Sheffield
S1 2ET

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

Bankers
Lloyds TSB Commercial Finance Limited
No 1 Brookhill Way
Banbury
Oxon
OX16 3EL

Coal Products Limited

Directors' report for the year ended 31 March 2011

The directors present their report and the audited financial statements of the company for the year ended 31 March 2011

Principal activities
The principal activities of the company are the manufacture and sale of solid fuel briquettes and smokeless fuels The company also provides ceramic welding services for operators of coke ovens

Review of business and future developments
The profit and loss account for the year is set out on page 7

Both the level of business and the year end financial position remain satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future

The directors of CPL Industries Holdings Limited manage the group's risks at a group level and operations on a divisional basis, rather than at an individual business unit level For this reason, the company's directors believe that discussion of the group's risks and analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business The principal risks and uncertainties of the group, which include those of the company, and the development, performance and position of the company are discussed in the directors' report in the group's report and accounts which do not form part of this report

Dividends
No dividends were declared during the year (2010 £nil) The directors do not recommend the payment of a final dividend (2010 £nil)

Research and development
The company maintains a central research and development facility, which is focussed on the development of fuels with reduced carbon dioxide emissions

Directors
The directors of the company who served during the year and up to the date of signing the financial statements (unless otherwise stated), are listed below

T W Minett	
D Wake	
P Scott	
S J Chisholm	
A Bishop	
D J Hamilton	(resigned 31 May 2010)
J E Carden	(resigned 20 April 2010)

There is no requirement for directors to retire by rotation

Coal Products Limited

Financial risk management
Details of the company's financial risk management policies are noted in the ultimate parent company's accounts

Employment policies
The policy of the directors is to encourage the involvement of all employees in the development and performance of the company

All employees receive notification of important developments, acquisitions and other matters of interest

The company pursues a policy of providing, wherever possible, the same employment opportunities to disabled persons as to others, having regard to the aptitudes and abilities of each applicant Efforts are made to enable employees who become disabled during their employment to continue their careers with the company Training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled

The company recognises the high standards required to ensure the health, safety and welfare of its employees at work, its customers and the general public The policies in this regard are regularly reviewed with the objective of ensuring these standards are maintained

Independent auditors and disclosure of information to auditors
So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware Relevant information is defined as information needed by the company's auditors in connection with preparing their report Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the next general meeting

On behalf of the board

D Wake
Director
21 June 2011

Coal Products Limited

Statement of directors' responsibilities

The directors are responsible for preparing the 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

D Wake
Director
21 June 2011

Coal Products Limited

Independent auditors' report to the members of Coal Products Limited

We have audited the financial statements of Coal Products Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Shareholder's Funds, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

John Cowling (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield
21 June 2011

Coal Products Limited

Profit and loss account for the year ended 31 March 2011

	Note	2011 £'m	2010 £'m
Turnover	2	**80.3**	77 0
Operatıng expenses	3	**(67.1)**	(62 5)
Exceptıonal operatıng expenses	3	**(0.5)**	(0 6)
		(67.6)	(63 1)
Operating profit		**12.7**	13 9
Income from shares ın group undertakıngs		**-**	0 3
Net ınterest payable	6	**(0.3)**	(1 1)
Profit on ordınary actıvıtıes before taxation	7	**12.4**	13 1
Tax on profıt on ordınary actıvıtıes	8	**(1.9)**	(2 2)
Profit for the fınancial year	20	**10.5**	10 9

All ıtems dealt wıth ın arrıvıng at operatıng profıt relate to contınuıng operatıons

There ıs no materıal dıfference between the profıt on ordınary actıvıtıes before taxatıon and the profıt for the fınancıal year stated above and theır hıstorıcal cost equıvalents

Statement of total recognised gains and losses for the year ended 31 March 2011

	Note	2011 £'m	2010 £'m
Profıt for the fınancıal year		**10.5**	10 9
Actuarıal gaın/(loss) on pensıon scheme	18	**0 9**	(5 1)
Movement on deferred tax relatıng to pensıon lıabılıty	18	**(0.3)**	1 4
Movement on deferred tax relatıng to pensıon lıabılıty due to change ın rate of corporatıon tax from 28% to 26% from 1 Aprıl 2011	18	**(0.1)**	-
Total recognısed gains relating to the year		**11.0**	7 2

Coal Products Limited

Reconciliation of movements in shareholder's funds

	2011	2010
	£'m	£'m
Profit for the financial year	**10.5**	10 9
Actuarial gain/(loss) on pension scheme net of deferred tax	**0.6**	(3 7)
Movement on deferred tax relating to pension liability due to change in rate of corporation tax from 28% to 26% from 1 April 2011	**(0.1)**	-
Net increase in shareholder's funds	**11.0**	7 2
Opening shareholder's funds	**46.7**	39 5
Closing shareholder's funds	**57.7**	46 7

Coal Products Limited

Balance sheet
as at 31 March 2011

	Note	2011	2010
		£'m	£'m
Fixed assets			
Intangible assets	9	**0.3**	0 3
Tangible assets	10	**8.2**	7 8
Investments	11	**0.4**	0 4
		8.9	8 5
Current assets			
Stocks	13	**6.5**	4 8
Debtors	14	**88.1**	89 0
Cash at bank and in hand		**8.6**	3 6
		103.2	97 4
Creditors: amounts falling due within one year	15	**(49.3)**	(46 5)
Net current assets		**53.9**	50 9
Total assets less current liabilities		**62.8**	59 4
Creditors: amounts falling due after more than one year	16	**-**	(6 3)
Provisions for liabilities	17	**(1.0)**	(0.8)
		(1.0)	(7 1)
Net assets excluding pension asset/(deficit)		**61.8**	52 3
Pension asset	18	**0.3**	-
Pension deficit	18	**(4.4)**	(5 6)
Net assets including pension asset/(deficit)		**57.7**	46.7
Capital and reserves			
Called up share capital	19	**42.1**	42 1
Revaluation reserve	20	**0.6**	0 6
Profit and loss account	20	**15.0**	4 0
Total shareholder's funds		**57.7**	46 7

The financial statements on pages 7 to 29 were approved by the board of directors on 21 June 2011 and were signed on its behalf by

D Wake
Director, Coal Products Limited (registered number: 1102042)

Coal Products Limited

Notes to the financial statements for the year ended 31 March 2011

1 Accounting policies

Basis of accounting
These financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom

The principal accounting policies, which have been applied consistently throughout the year, are set out below

Exemption from preparing consolidated financial statements
The financial statements contain information about Coal Products Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, CPL Industries Holdings Limited, a company registered in England and Wales

Intangible fixed assets
Goodwill arising on the acquisition of businesses represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is capitalised and amortised over 20 years, being the directors' estimate of its useful economic life

Tangible fixed assets
Tangible fixed assets are stated at historic purchase cost or valuation less accumulated depreciation The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition The company has taken advantage of the transitional provisions of FRS 15 and has retained assets shown at valuation at their book amounts and the valuation has not been updated

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned The principal useful lives used for this purpose are

Freehold buildings and leasehold properties	50 years or over period of lease if less than 50 years
Industrial buildings	40 years or over period of lease if less than 40 years
Plant, machinery and equipment	3 - 20 years

Freehold land is not depreciated

Assets held for resale are not depreciated

Fixed asset investments
Fixed asset investments are held at cost less provision for permanent diminution in value

Research and development
Expenditure on research and development is charged to revenue in the year in which it is incurred Capital expenditure on research establishment buildings, facilities and equipment is written off over their expected working lives

Operating leases
Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term

Stocks and work in progress
Stocks and work in progress are stated at the lower of cost and net realisable value In general, cost is determined on a first in first out basis and includes transport and handling costs In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity In the case of major spares, items are held at cost and reviewed annually for impairment Where necessary, provision is made for obsolete, slow moving and defective stocks

Foreign currencies
Transactions in overseas currencies are translated at the spot rate on the date of the transaction, with gains or losses arising on settlement of the transaction being taken to the profit and loss account Monetary assets and liabilities are translated at the rates ruling at the balance sheet date or at a contracted rate if applicable Forward exchange contracts are used to hedge anticipated future transactions Outstanding forward exchange contracts at the year end are not marked to market

Turnover
Turnover represents the amount, exclusive of value added tax, arising from sales of goods and services including rents and royalties falling within the company's ordinary activities Revenue of product sales is recognised upon despatch to the customer or, in the case of goods supplied ex-works, upon collection by the customer or agent

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

Pension Scheme arrangements
The company formerly made contributions to the British Coal Corporation Staff Superannuation Scheme and the Mineworkers' Pension Scheme As a result of the privatisation of the coal industry these schemes have been declared closed. The schemes are backed by government guarantee and no future liability will fall upon the company.

Employees who were members of the above schemes on 3 February 1995 were eligible to join either the Industry Wide Coal Staff Superannuation Scheme (IWCSSS) or the Industry Wide Mineworkers' Pension Scheme (IWMPS) The company will make contributions as agreed with the schemes, having regard to the actuary's recommendations

The company also contributes to another defined benefit pension scheme operated by the group The pension cost and funding of this scheme is assessed in accordance with the advice of professionally qualified independent actuaries

The defined benefit section of the CPL Industries Pension Plan has been closed to new entrants since 1999 and closed to future accruals of benefit with effect from 30 April 2004 This does not affect pension benefits earned to that date and all members of those schemes were invited to join the defined contribution section of the CPL Industries Pension Plan

Contributions to pension schemes in respect of current and past services, ex gratia pensions, and cost of living adjustments to existing pensions are based on the advice of actuaries

FRS 17 "Retirement Benefits" has been adopted fully

The company also contributes to a defined contribution scheme operated by CPL Industries Limited Contributions to this scheme are charged to the profit and loss account as incurred

The company provides other post retirement benefits to its employees in the form of concessionary fuels The provision is calculated as the future cost of providing concessionary fuels on retirement to all eligible current and former employees net of taxation amounts recoverable The provision is discounted over the average expected period of providing the benefit.

Provisions
Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation, and which a reliable estimate can be made of the amount of the obligation

Borrowing costs
All interest and other borrowing costs are expensed as incurred other than issue costs incurred on the raising of external finance which are capitalised and amortised over the life of the facility

Cash flow statement
The company is a wholly owned subsidiary of CPL Industries Holdings Limited and the cash flows of the company are included in the consolidated group cash flow statement of CPL Industries Holdings Limited Consequently, the company is exempt under the terms of FRS 1 "Cash flow statements" (revised 1996) from publishing a cash flow statement

Related party transactions
In accordance with the exemption allowed by FRS 8 "Related party transactions" transactions with CPL Industries Holdings Limited and fellow subsidiary undertakings are not disclosed

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2 Turnover

Geographical analysis by destination:	2011 £'m	2010 £'m
United Kingdom	71.3	69 5
Europe	6.2	5 2
Rest of world	2.8	2 3
	80.3	77 0

Turnover represents the amounts arising from the sales of goods and services, including briquetting and by-products, which fall within the company's ordinary activities, stated net of value added tax

3 Operating expenses

	2011 £'m	2010 £'m
Raw materials and consumables	54.2	45 7
Other operating charges	8.0	8 1
Employee costs (note 5)	5.6	5 6
Depreciation (note 10)	0.8	0 7
Exceptional operating expenses (see below)	0.5	0 6
	69.1	60 7
(Increase)/decrease in stocks	(1.5)	2 4
	67.6	63 1

Exceptional operating expenses comprise:	2011 £'m	2010 £'m
Concessionary fuel liability	0.2	0 2
Environmental and site remediation costs	0.3	0 4
	0.5	0 6

4 Directors' emoluments

Three of the directors received emoluments in respect of their directorships of Coal Products Limited during the year (2010 three) The aggregate emoluments amounted to £332,671 (2010 £204,165) Contributions of £22,512 (2010 £22,289) were made to a defined benefit pension scheme on behalf of one director

The emoluments paid to the highest paid director were £125,555 (2010 £120,076) The highest paid director also received £nil (2010 £69,500) under an incentive programme for achieving certain financial targets

Retirement benefits are no longer accruing to any directors (2010 none) under the company's defined benefit scheme

D J Hamilton received no emoluments for provision of his services to Coal Products Limited His total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of CPL Distribution Limited

J E Carden received no emoluments for provision of his services to Coal Products Limited His total emoluments are included in the aggregate of employee costs disclosed in the financial statements of CPL Industries Limited

T W Minett and D Wake received no emoluments for provision of their services to Coal Products Limited Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the ultimate parent company

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was

By activity	2011 Number	2010 Number
Production	59	55
Selling and distribution	9	13
Administration	61	69
	129	137

Staff costs (for the above persons)	2011 £'m	2010 £'m
Wages and salaries	4.4	4 7
Social security costs	0.4	0 4
Other pension costs (note 18)	0.8	0 5
	5.6	5 6

6 Net interest payable

	2011 £'m	2010 £'m
Interest payable		
Bank finance facilities	**(0.5)**	(0 7)
Other finance expense	**-**	(0 4)
	(0.5)	(1 1)
Interest receivable and similar income		
Other finance income	**0.2**	-
Net interest payable	**(0.3)**	(1 1)

7 Profit on ordinary activities before taxation

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation is stated after charging		
Operating lease payments		
- land and buildings	**425**	683
- plant and machinery	**416**	438
Auditor's remuneration		
- audit	**17**	34
Research and development expenditure	**270**	173

8 Tax on profit on ordinary activities

	2011 £'m	2010 £'m
Current tax:		
United Kingdom corporation tax on the profits for the year	**1.8**	0 8
Amounts (receivable)/payable for group relief	**(0.3)**	1 0
Total current tax	**1.5**	1 8
Deferred tax:		
Pension cost relief in excess of pension cost charge	**0.4**	0 4
Total deferred tax	**0.4**	0 4
Tax on profit on ordinary activities	**1.9**	2 2

The tax assessed for the year differs from the standard rate of corporation tax in the UK (28%) The differences are explained below

	2011 £'m	2010 £'m
Profit on ordinary activities before tax	**12.4**	13 1
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	**3.5**	3 7
Income not allowable for tax purposes	-	(0 1)
Expenses not allowable for tax purposes	**0.2**	0 1
Utilisation of other group losses	**(2.2)**	(1 7)
Utilisation of brought forward losses and other timing differences	-	(0 2)
Current tax charge for the year	**1.5**	1 8

Deferred taxation
The company has an unrecognised deferred tax asset of £2 3m (2010 £2 9m) relating to short term timing differences, corporation tax losses carried forward and accelerated capital allowances This has not been recognised as it is not expected to reverse in the foreseeable future

During the year, as a result of the change in the UK main corporation tax rate from 28% to 26% that was substantively enacted on 29 March 2011, the relevant deferred tax balances have been re-measured

Deferred tax asset relating to pension deficit (note 18)

	2011 £'m	2010 £'m
At 1 April	**2.2**	1 2
Deferred tax charged to profit and loss account	**(0.4)**	(0 4)
Deferred tax charged to the statement of total recognised gains and Losses		
- on actuarial gain/(loss)	**(0.3)**	1 4
- change in tax rate	**(0.1)**	-
At 31 March	**1.4**	2 2

9 Intangible assets

	Goodwill £'m
Cost	
At 1 April 2010	0 5
Additions	-
At 31 March 2011	**0.5**
Accumulated amortisation	
At 1 April 2010	0 2
Charge for year	-
At 31 March 2011	**0.2**
Net book amount	
At 31 March 2011	**0.3**
At 31 March 2010	0 3

10 Tangible assets

	Freehold land and buildings £'m	Short leasehold land and buildings £'m	Plant and machinery £'m	Industrial buildings £'m	Assets held for resale £'m	Total £'m
Cost or valuation						
At 1 April 2010	4 9	0 3	26 9	1 8	23 6	57 5
Additions	0 1	0 1	1 0	-	-	1 2
Disposals	-	-	-	-	-	-
At 31 March 2011	**5.0**	**0.4**	**27.9**	**1.8**	**23.6**	**58.7**
Accumulated depreciation						
At 1 April 2010	2 3	0 3	23 5	1 4	22 2	49 7
Charge for year	0 1	-	0 7	-	-	0 8
Disposals	-	-	-	-	-	-
At 31 March 2011	**2.4**	**0.3**	**24.2**	**1.4**	**22.2**	**50.5**
Net book amount						
At 31 March 2011	**2.6**	**0.1**	**3.7**	**0 4**	**1.4**	**8.2**
At 31 March 2010	2 6	-	3 4	0 4	1 4	7 8

Valuations of the company's land and buildings were carried out during 1991 by chartered surveyors These valuations, which were incorporated in the accounts at that date, were made at open market value for existing use If they had not been revalued, the cost of the company's freehold land and buildings would be carried in the accounts at £2 8m (2010 £2 8m)

Following the implementation of FRS 15 'Tangible fixed assets', the tangible fixed assets previously revalued have been retained at their book amounts, as permitted by the transitional provisions of FRS 15

Following the termination of operations at the Cwm site, the assets are deemed to be held for resale The company would anticipate realising in excess of current net book value for this site

11 Fixed asset investments

	Shares in subsidiary undertakings £'m
Cost	
At 1 April 2010 and 31 March 2011	**0.4**
Provision for permanent diminution in value	
At 1 April 2010 and 31 March 2011	-
Net book amount	
At 1 April 2010 and 31 March 2011	**0.4**

12 Interests in group undertakings

Subsidiary undertakings
Subsidiary undertakings and the nature of their business are as follows

Subsidiary	Nature of business	% held
Broomco (4077) Limited	Non trading	100
Broomco (4087) Limited	Non trading	100
Palco Shipping & Trading Limited	Non trading	100

All shares held in subsidiary companies are £1 ordinary shares

All subsidiaries are incorporated in England and Wales The directors believe that the book value of investments is supported by their underlying net assets

13 Stocks

	2011 £'m	2010 £'m
Raw materials and consumables	**3.0**	2 6
Finished goods	**3.5**	2 2
	6.5	4 8

14 Debtors

	2011 £'m	2010 £'m
Trade debtors	**7.3**	7 0
Amounts owed by group undertakings	**79.5**	81 4
Other debtors	**0.3**	0 2
Group relief receivable	**0.3**	-
Prepayments	**0.7**	0 4
	88.1	89 0

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

15 Creditors: amounts falling due within one year

	2011 £'m	2010 £'m
Trade creditors	**11.7**	11 2
Amounts owed to group undertakings	**36.5**	28 6
Senior term loan	-	2 4
Property term loans	-	0 4
Corporation tax payable	-	0 5
Group relief payable	-	1 0
Other taxation and social security	**0.2**	0 2
Accruals	**0.9**	2 2
	49.3	46 5

Amounts owed to group undertakings are unsecured, interest free and repayable upon demand

16 Creditors: amounts falling due after more than one year

	2011 £'m	2010 £'m
Senior term loan	-	2 7
Property term loans	-	3 6
	-	6 3
Maturity of financial liabilities		
In more than one year, but not more than two years	-	2 8
In more than two years, but not more than five years	-	3 5
	-	6 3

The term loans were repaid in full in the year from available cash The Burdale debt facility expired in April 2011 and was replaced by a working capital facility provided by Lloyds TSB Commercial Finance for a minimum period of thirty months

The working capital facility is secured by a fixed and floating charge over all assets Interest is payable on the facility, based on base rate plus margins ranging from 1 5% to 1 75%

17 Provisions for liabilities

	Concessionary fuel in retirement £'m
At 1 April 2010	0 8
Raised in the year	0 2
Utilised in the year	-
At 31 March 2011	**1.0**

Concessionary fuel in retirement
The principal assumptions made, concerning the amounts that may be required to settle the obligations are as follows

(a) discount rates used are based upon the 15 year corporate bond rate adjusted for long term inflation (assumed to be 2 8%),

(b) the expected life of employees post retirement is 22 years for men and 25 years for women

18 Pension costs and other retirement benefits

Defined contribution scheme
The company contributes to a defined contribution scheme which is operated by CPL Industries Limited

Pension costs for defined contribution schemes are as follows

	2011	2010
	£'m	£'m
Defined contribution schemes	**0.3**	0 2

Employer contributions of £62,000 (2010 £64,000) were accrued at 31 March 2011

Defined benefit schemes
Three of the major schemes in which the company is involved are defined benefit schemes, one of which has been closed to new entrants since 1999 They are all funded schemes based on final salary The results of the most recent triennial valuation of the schemes were

	CPL Industries Pension Plan	**IWCSS Scheme**	**IWMP Scheme**
Date of last actuarial valuation	31 March 2008	31 December 2006	31 December 2006
Method used	Projected unit	Projected unit	Projected unit
Market value of investments £'m	75 6	14 0	6 3
Deficit £'m	(12 6)	(4 4)	(2 5)
Level of funding	86%	76%	72%
Main assumptions			
Rate of price inflation	3 60%	2 90%	2 90%
Return on investments	5 50%	5 12%	5 12%
Increase in earnings	N/A	3 90%	3 90%

The company has agreed increased contributions designed to eliminate the deficiencies The company paid contributions to the defined benefit schemes of £2 1m in the period to 31 March 2011 (2010 £1 9m)

The defined benefit section of the CPL Industries Pension Plan has been closed to future accruals of benefit with effect from 30 April 2004 This does not affect pension benefits earned to that date and all members of those schemes have been invited to join the defined contribution section of the CPL Industries Pension Plan The IWCSS and IWMP Schemes are closed to new entrants

Coal Products Limited

The company contnbutes to the defined contnbution section of the CPL Industnes Pension Plan which is operated by CPL Industnes Limited All new employees of the company are offered admittance to the defined contnbution section of the CPL Industnes Pension Plan

The calculations for inclusion of amounts in the accounts have been based on the following valuation dates updated to 31 March 2011 by professionally qualified independent actuaries

Industry Wide Coal Staff Superannuation (IWCSS) Scheme	31 December 2006
Industry Wide Mineworkers Pension (IWMP) Scheme	31 December 2006
CPL Industnes Pension Plan	31 March 2008

The major assumptions used by the actuaries were

	2011	2010
Discount rate	**5.50%**	5 60%
Rate of increase in salaries	**3.30%**	3 50%
Rate of increases of inflation linked pensions in payment	**2.3% to 3.10%**	2 50% to 3 20%
Inflation assumption	**3.10%**	3 20%

The mortality assumptions used were as follows

	2011 Years	2010 Years
Longevity at age 65 for current pensioners		
- Men	**83.0 to 85.4**	82 9 to 85 3
- Women	**86.3 to 88.6**	86 3 to 88 5
Longevity at age 65 for future pensioners		
- Men	**84.5 to 87.4**	84 4 to 87 3
- Women	**86.9 to 90.6**	88 0 to 90 5

Coal Products Limited

The assets of the schemes are invested in investment funds managed by a number of independent fund managers The market value of the company's share of assets of the schemes and the expected rates of return were

	Market value	**Long-term expected rate of return**	Market value	Long-term expected rate of return
	2011	**2011**	2010	2010
	£'m	**%**	£'m	%
Equities	**18.6**	**7.90%**	25 0	8 00%
Global Absolute Return Funds	**10.2**	**7.90%**	-	-
Bonds	**19.8**	**4.50% to 5.50%**	19 8	4 50% to 5 60%
Property	**3.1**	**7.90%**	5 2	8 00%
Cash	**1.0**	**4.40%**	0 2	4 50%
	52.7		50 2	

Pensions and post-retirement obligations
The amounts recognised in the balance sheet are determined as follows

	2011	2010
	£'m	£'m
Total market value of assets	**52.7**	50 2
Present value of scheme liabilities	**(58.2)**	(58 0)
Deficit in the scheme	**(5.5)**	(7 8)
Related deferred tax asset	**1.4**	2 2
Net pension deficit	**(4.1)**	(5 6)

	Surplus/(deficit)	**Related deferred tax**	**Net pension asset/(liability)**
Comprising			
Surpluses	**0.4**	**(0.1)**	**0.3**
Deficits	**(5.9)**	**1.5**	**(4.4)**
Net surpluses/(deficits)	**(5.5)**	**1.4**	**(4.1)**

The following amounts have been recognised in the financial statements under the requirements of FRS 17.

Coal Products Limited

Reconciliation of scheme liabilities

	2011	2010
	£'m	£'m
At 1 April	58.0	43 3
Current service cost	0.6	0 3
Interest cost	3.2	2 9
Actuarial (gain)/loss	(1.3)	14 5
Benefits paid	(2.3)	(3 0)
At 31 March	**58.2**	58 0

Sensitivity analysis of scheme liabilities

The sensitivity of the present value of scheme liabilities to changes in the principle assumptions used is set out below detailing the resultant funded status

	Change in assumption	Funded status 31 March 2011 £'m	Funded status 31 March 2010 £'m
Base result		(5.4)	(7 8)
Discount rate	Increase by 1%	2.4	(1 9)
Rate of increase in salaries	Increase by 1%	(6.0)	(8 4)
Rate of inflation	Decrease by 1%	(0.1)	(2 5)
Mortality	Increase by 10% at all ages	(6.7)	(9 0)

Reconciliation of fair value of scheme assets

	2011	2010
	£'m	£'m
At 1 April	50.2	39 1
Expected return on scheme assets	3.4	2 5
Actuarial (loss)/gain	(0.4)	9 4
Contribution paid by employer	1.7	2 1
Contribution paid by employee	0.1	0 1
Benefits paid	(2.3)	(3 0)
At 31 March	**52.7**	50 2

Scheme assets do not include any of Coal Products Limited's own financial instruments, or any property occupied by Coal Products Limited

The actual return on scheme assets in the year was £3 0m (2010 £12 2m)

The following amounts have been recognised in the financial statements under the requirements of FRS 17

Analysis of amounts charged to operating profit

	31 March 2011	31 March 2010
	£'m	£'m
Current service cost	**0.6**	0 3

Analysis of amounts credited/(charged) to other finance income/(expense)

	31 March 2011	31 March 2010
	£'m	£'m
Expected return on pension scheme assets	**3.4**	2 5
Interest on pension scheme liabilities	**(3.2)**	(2 9)
Net return	**0.2**	(0 4)

Analysis of amounts recognised in the statement of total recognised gains and losses (STRGL)

	31 March 2011	31 March 2010
	£'m	£'m
Actual return less expected return on pension scheme assets	**(0.4)**	9 4
Experience gains and (losses) arising on the scheme liabilities	**0.1**	(2 0)
Changes in assumptions underlying the present value of the scheme liabilities	**1.2**	(12 5)
Actuarial gain/(loss) recognised in STRGL	**0.9**	(5 1)

The cumulative amount of actuarial losses, net of deferred tax, recognised in the statement of recognised gains and losses is £9 2m (2010 £9 8m)

Details of experience gains and losses for the year

	31 March 2011 £'m	31 March 2010 £'m	31 March 2009 £'m	31 March 2008 £'m	31 March 2007 £'m
Difference between the expected and actual return on scheme assets:					
Amount	**(0.4)**	9 4	(13 4)	(5 4)	(0 3)
Percentage of scheme assets	**0.8%**	18 7%	34 3%	11 3%	1 2%
Experience (losses)/gains on scheme					
Amount	**0 1**	(2 0)	0 7	-	-
Percentage of the present value of scheme	**0.2%**	3 4%	1 6%	0 0%	0 0%
Total amount recognised in statement of total recognised gains and losses:					
Amount	**0.9**	(5 1)	(8 1)	4 3	0 1
Percentage of the present value of scheme	**1.5%**	8 8%	18 7%	9 3%	0 4%

19 Called up share capital

	2011 £'m	2010 £'m
Authorised		
47,134,217 ordinary shares of £1 each	**47.1**	47 1
Allotted and fully paid		
42,134,217 ordinary shares of £1 each	**42.1**	42 1

20 Reserves

	Profit and loss account £'m	Revaluation reserve £'m
At 1 April 2010	4 0	0 6
Actuarial gain on the pension scheme net of deferred tax	**0.6**	-
Movement on deferred tax relating to pension liability due to change in rate of corporation tax from 28% to 26% from 1 April 2011	**(0.1)**	-
Profit for the financial year	**10.5**	-
At 31 March 2011	**15.0**	**0.6**

21 Financial commitments

At 31 March 2011, the company had annual commitments under non-cancellable operating leases as follows

	2011		2010	
	Land and buildings	**Other**	Land and buildings	Other
	£'m	**£'m**	£'m	£'m
Within two to five years	-	**0.2**	0 3	0 2
After five years	**0.4**	-	0 3	0 1
	0.4	**0.2**	0 6	0 3

At 31 March 2011 the company had outstanding forward transactions to hedge foreign currencies as follows

	Currency						Sterling equivalent	
	2011			2010			**2011**	2010
	CAN $'000	**US $'000**	**€'000**	CAN $'000	US $'000	€'000	**£'000**	£'000
To hedge payment for sales made in foreign currencies	**400**	**-**	**9,500**	-	-	5,290	**8,666**	4,683
To hedge payment for purchases made in foreign currencies	**-**	**15,300**	**-**	-	5,000	-	**9,545**	3,060

The fair value of outstanding forward purchase and sales contracts at the year end was £552,000 unfavourable (2010 £200,000) The fair value has been calculated by applying year end exchange rates No amount has been included within the profit and loss account or balance sheet at the year end in respect of these transactions

22 Ultimate parent company

The directors regard CPL Industries Holdings Limited as the ultimate parent company and controlling party According to the register kept by the company CPL Industries Limited has a 100% interest in the equity capital of Coal Products Limited at 31 March 2011

The largest and smallest group in which the results of the company are consolidated is CPL Industries Holdings Limited's consolidated financial statements, copies of which may be obtained from the Company Secretary, CPL Industries Holdings Limited, Mill Lane, Wingerworth, Chesterfield, Derbyshire, S42 6NG