Registered Number 1102042

Coal Products Limited

Annual report

for the year ended 31 March 2017

Coal Products Limited

Contents

Coal Products Limited

Directors and advisers for the year ended 31 March 2017

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

Company secretary and registered office
S Armitage
Westthorpe Fields Road
Killamarsh
Sheffield
S21 1TZ

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 St. Paul's Place
121 Norfolk Street
Sheffield
S1 2LE

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

Bankers
Lloyds Bank plc
14 Church Street
Sheffield
S1 1HP

Coal Products Limited

Strategic report
for the year ended 31 March 2017

The directors present the strategic report for the year ended 31 March 2017.

Review of business and future developments
The profit and loss account for the year is set out on page 9. Profit on before taxation of £5.7m (2016: £7.9m). The directors consider that both the level of business and the year end financial position remain satisfactory. The group is managed and the strategy set at a group level rather than at an individual business unit level, therefore further review of the business, future developments and consideration of financial and non financial KPI's are included in the financial statements of CPL Industries Group Limited.

Principle risks and uncertainties
The key risks affecting the company are:

As most of the company's sales are weather sensitive, leading to unpredictable demand, the company requires a flexible operating structure. Achieving this flexibility is constantly under review to ensure the company can take maximum benefit from favourable weather conditions and minimise the impact of adverse weather conditions.

The company is subject to volatility of price and availability from global markets for its main raw material and energy requirements. These risks are managed through flexible sourcing and securing supply contracts.

The company has contracts for both the supply of raw material and the sale of finished goods in currencies other than it functional currency. It is the policy of CPL Industries Group Limited to hedge material net exposures to cash transactions in foreign currencies, usually through the use of a foreign exchange forward contract.

Financial key performance indicators
The directors of CPL Industries Group Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that an analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Coal Products Limited. The development, performance and position of the company are discussed on page 2 of the group's annual report, which does not form part of this report.

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 and KPI's are regularly reviewed with the objective of ensuring these standards are met.

Strategic report
for the year ended 31 March 2017 continued

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

Approved and signed on behalf of the board

D Wake
Director
1 September 2017

Coal Products Limited

Directors' report
for the year ended 31 March 2017

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2017.

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.

Dividends
No dividends were declared or settled during the year ended 31 March 2017 (2016: £nil). A dividend of £50,000,000 was declared and settled in full on 16 May 2017, and was facilitated by a reduction of share capital of 37,134,217 ordinary shares.

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

In accordance with the Articles of Association, there is no requirement for directors to retire by rotation.

Future developments
Details regarding the future developments within the company are disclosed within the Strategic report.

Financial risk management
Details of the company's financial risk management policies are noted in the financial statements of CPL Industries Group Limited.

Financial instruments
Use of derivatives:

The company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency. The company also uses interest rate swaps to adjust interest rate exposures in order to guarantee fixed interest payments where payments are variable and hence exposed to interest rate movements. Hedge accounting is used when certain criteria are met as explained in the accounting policy in note 1 to the financial statements.

Exposure to price, credit, liquidity and cash flow risk:

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The company and company's investments are held at net asset value and are therefore not exposed to price risk.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred payment terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of company debtors are shown in Note 15 to the financial statements.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company manages liquidity risk via revolving credit facilities and long term debt.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised or liability such as future interest payments on variable rate debt or future transactions in foreign currencies. The company manages these risks, where significant, by use of derivatives as explained above.

Research and development
Details regarding the research and development activities of the company are disclosed within the Strategic Report.

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
1 September 2017

Coal Products Limited

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

D Wake
Director
1 September 2017

Independent auditors' report to the members of Coal Products Limited

Report on the financial statements

Our opinion

In our opinion, Coal Products Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 March 2017;
- the profit and loss account and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Coal Products Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 6, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.

Andy Ward (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield
1 September 2017

Coal Products Limited

Profit and loss account
for the year ended 31 March 2017

	Note	**2017**	2016
		£'m	£'m
Turnover	3	**58.4**	60.6
Operating expenses	4	**(52.7)**	(52.7)
Exceptional operating expenses	4	**(0.2)**	(0.1)
		(52.9)	(52.8)
Operating profit		**5.5**	7.8
Net interest receivable	7	**0.2**	0.1
Profit on ordinary activities before taxation	8	**5.7**	7.9
Tax on profit	9	**(0.6)**	(1.0)
Profit for the financial year		**5.1**	6.9

All items dealt with in arriving at operating profit relate to continuing operations.

Coal Products Limited

Statement of comprehensive income for the year ended 31 March 2017

	Note	2017 £'m	2016 £'m
Profit for the financial year		**5.1**	6.9
Other comprehensive (expense)/income:			
Remeasurement of net defined benefit obligation	18	**(5.0)**	1.3
Cash flow hedges			
Change in value of hedging instruments	20	**0.3**	(0.1)
Reclassifications to profit and loss	20	**0.1**	(0.8)
Total tax on components of other comprehensive income	9	**0.9**	-
***Other comprehensive (expense)/income for the year* net of tax**		**(3.7)**	0.4
Total comprehensive income for the year		**1.4**	7.3

Coal Products Limited

Balance sheet
as at 31 March 2017

	Note	2017	2016
		£'m	£'m
Fixed assets			
Intangible assets	10	**0.1**	0.1
Tangible assets	11	**11.4**	11.8
Investments	12	**0.1**	0.4
		11.6	12.3
Current assets			
Inventories	14	**6.4**	6.9
Debtors	15	**85.6**	75.8
Cash at bank and in hand		**1.7**	1.4
		93.7	84.1
Creditors: amounts falling due within one year	16	**(37.9)**	(33.1)
Net current assets		**55.8**	51.0
Total assets less current liabilities		**67.4**	63.3
Provisions for liabilities	17	**(2.3)**	(3.0)
		(2.3)	(3.0)
Net assets excluding pension asset		**65.1**	60.3
Pension surplus	18	**3.7**	7.1
Net assets including pension asset		**68.8**	67.4
Capital and reserves			
Called up share capital	19	**42.1**	42.1
Other reserves		**0.2**	(0.1)
Profit and loss account		**26.5**	25.4
Total shareholders' funds		**68.8**	67.4

The financial statements on pages 9 to 36 were approved by the board of directors on 1 September 2017 and were signed on its behalf by:

D Wake
Director
Coal Products Limited
Registered number: 1102042

Coal Products Limited

Statement of changes in equity for the year ended 31 March 2017

	Called up share capital	Other reserves	Profit and loss account	Total shareholders' funds
	£'m	£'m	£'m	£'m
Balance at 1 April 2015	42.1	0.6	17.4	60.1
Profit for the financial year	-	-	6.9	6.9
Other comprehensive (expense)/income for the year	-	(0.7)	1.1	0.4
Total comprehensive (expense)/income for the year	-	(0.7)	8.0	7.3
Balance at 31 March 2016	42.1	(0.1)	25.4	67.4
Balance at 1 April 2016	42.1	(0.1)	25.4	67.4
Profit for the financial year	-	-	5.1	5.1
Other comprehensive income/(expense) for the year	-	0.3	(4.0)	(3.7)
Total comprehensive income/(expense) for the year	**-**	**0.3**	**1.1**	**1.4**
Balance at 31 March 2017	**42.1**	**0.2**	**26.5**	**68.8**

Coal Products Limited

Notes to the financial statements for the year ended 31 March 2017

1 Accounting policies

Statement of compliance

The financial statements of Coal Products Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Westthorpe Fields Road, Killamarsh, Sheffield, S21 1TZ.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair value and are prepared in sterling which is the functional currency of the company, rounded to the nearest £0.1m.

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 is a subsidiary of a group which has prepared publically available consolidated financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the cash flows of the company are included in the consolidated group cash flow statement of CPL Industries Group Limited;
ii. from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
iii. from disclosing the company key management personnel compensation as required by FRS 102 paragraph 33.7.

Notes to the financial statements for the year ended 31 March 2017 continued

1 Accounting policies continued

Business combinations and goodwill
Goodwill recognised represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is capitalised within intangible assets and is eliminated by amortisation through the profit and loss account over its useful economic life (being the period over which the directors have assessed for each acquisition that benefits can be expected). Where the company is unable to make a reliable estimate of its useful life, goodwill is amortised over a period not exceeding ten years.

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.

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.

Investment properties
Certain of the company's properties are held for long-term investment. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment properties whose fair value can be measured reliably are measured at fair value. Movements in fair value are recognised in the profit and loss account.

Fixed asset investments
Fixed asset investments are held at cost less provision for permanent diminution in value. Investments in foreign subsidiaries are revalued for movements in exchange rates at each year end. Any movement in the value of the investment is taken directly to reserves as per section 30 of FRS 102.

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.

1 Accounting policies continued

Inventories - raw materials and consumable stores
Stocks of raw materials, including materials in transit, are valued at the lower of cost to the operating activity holding the stock prior to processing and net realisable value. Stocks of consumable stores are generally valued at standard purchase prices. A specific provision is held to cover latent obsolescence, damages and redundant stocks.

Inventories - finished goods and goods for resale
Finished goods and goods for resale are valued at the lower of the cost at the time of production or the cost of purchase, and the net realisable value, at the balance sheet date. In the case of manufactured products, cost includes all direct expenditure and production. To arrive at net realisable value, undistributed stocks of manufactured fuels are valued at current net selling price less specific provisions for loss of weight or degradation in size and quality.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account.

Foreign currencies
Functional and presentation currency
The company's functional currency is the pound sterling, these financial statements are presented in pound sterling and rounded to millions.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss within 'Operating costs'.

Notes to the financial statements for the year ended 31 March 2017 continued

1 Accounting policies continued

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes. Revenue from 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.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

Deferred taxation
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Employee benefits
The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is recognised.

Defined contribution pension plan
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company personal pension plan arrangement. The pension cost charge disclosed in note 18 represents contributions payable by the company to the fund.

1 Accounting policies continued

Employee benefits continued
Defined benefit pension plans
The company also operates a number of defined benefit pension schemes, the assets of which are held separately from those of the company in funds independently administered by the respective trustee boards. All defined benefit pension schemes operated by the company are closed to new entrants and the defined benefit section of the CPL Industries Pension Plan has been closed to future accruals of benefit since 30 April 2004.

The funds are valued every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the actuary. In the intervening years, the actuary reviews the continuing appropriateness of the rates.

The surplus recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. The company recognises a plan surplus as a defined benefit asset only to the extent that it is recoverable through reduced future contributions or refunds from the plan.

The defined benefit obligation is measured using the projected unit actuarial method and is discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit obligation'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

(a) the increase in pension benefit obligation arising from employee service during the period; and
(b) the cost of plan introductions, benefit charges, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

Annual bonus plans
The company operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Notes to the financial statements for the year ended 31 March 2017 continued

1 Accounting policies continued

Employee benefits continued

Other employee benefits

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.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with CPL Industries Group Limited and fellow subsidiary undertakings.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

1 Accounting policies continued

Financial instruments continued

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including foreign exchange contracts and interest rate swaps, are not basic financial instruments.

Derivatives are initially recorded at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Hedging arrangements

The company applies hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

The company also applies hedge accounting for transactions entered into to manage the cash flow exposure of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Notes to the financial statements for the year ended 31 March 2017 continued

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future salary increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excess credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publically available mortality tables for the specific country. Future salary increases and pension increases are based on future inflation rates for the respective country. Further details are given in note 18.

Goodwill and intangible assets

The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit the useful life and assumptions that market participants would consider in respect of similar businesses.

Impairment of non-current assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows do not include restructuring activities that the company is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

2 Critical accounting judgements and estimation uncertainty continued

Key accounting estimates and assumptions continued

Provisions

Provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

3 Turnover

Geographical analysis by destination:	**2017**	2016
	£'m	£'m
United Kingdom	**48.9**	51.9
Europe	**8.6**	7.9
Rest of the world	**0.9**	0.8
	58.4	60.6

All turnover relates to the sale of goods.

Notes to the financial statements for the year ended 31 March 2017 continued

4 Operating expenses

	2017 £'m	2016 £'m
Raw materials and consumables	**36.5**	36.4
Other operating charges	**9.3**	8.4
Employee costs (note 6)	**5.3**	5.7
Depreciation of tangible assets (note 11)	**1.1**	1.0
Amortisation of intangible assets (note 10)	**-**	0.1
Exceptional operating expenses (see below)	**0.2**	0.1
	52.4	51.7
Decrease in inventories	**0.5**	1.1
	52.9	52.8

Exceptional operating expenses comprise:	2017 £'m	2016 £'m
Environmental and site remediation costs	**0.2**	0.2
Other (including pension settlements)	**-**	(0.1)
	0.2	0.1

5 Directors' emoluments

Three of the directors received emoluments in respect of their directorships of Coal Products Limited during the year (2016: three). The aggregate emoluments amounted to £477,000 (2016: £467,000). Contributions of £32,035 (2016: £29,467) were made to a defined benefit pension scheme on behalf of one (2016: one) of the directors.

The emoluments paid to the highest paid director were £216,000 (2016: £215,000). As part of these emoluments, the highest paid director received £26,000 (2016: £27,000) under an incentive programme for achieving certain financial targets.

Retirement benefits are accruing to two directors (2016: two) under the company's defined benefit scheme.

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 CPL Industries Group Limited.

Notes to the financial statements for the year ended 31 March 2017 continued

6 Employee information

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

By activity	2017 Number	2016 Number
Production	**60**	63
Selling and distribution	**8**	11
Administration	**57**	53
	125	127

Staff costs (for the above persons)	2017 £'m	2016 £'m
Wages and salaries	**4.2**	4.5
Social security costs	**0.5**	0.5
Other pension costs (note 18)	**0.6**	0.7
	5.3	5.7

7 Net interest receivable

	2017 £'m	2016 £'m
Interest payable and similar expenses		
Other interest payable	**(0.1)**	-
	(0.1)	-
Interest receivable and similar income		
Other finance income (note 18)	**0.3**	0.1
	0.3	0.1
Net interest receivable	**0.2**	0.1

Notes to the financial statements for the year ended 31 March 2017 continued

8 Profit before taxation

	2017 £'m	2016 £'m
Profit before taxation is stated after charging:		
Amortisation of intangible assets (note 10)	-	0.1
Depreciation of tangible assets (note 11)	**1.1**	1.0
Operating lease payments		
- land and buildings	**0.6**	0.6
- plant and machinery	**0.4**	0.5
Services provided by the company's auditors:		
- Fees payable for the audit	**0.1**	0.1
Research and development expenditure	**0.6**	0.6

9 Tax on profit

Tax expense included in profit or loss	2017 £'m	2016 £'m
Current tax:		
United Kingdom corporation tax on the profits for the year	-	0.3
Adjustment in respect of prior years	**0.3**	(0.2)
Total current tax	**0.3**	0.1
Deferred tax:		
Origination and reversal of timing differences	**0.3**	1.1
Impact of change in tax rate	-	(0.2)
Total deferred tax	**0.3**	0.9
Tax on profit	**0.6**	1.0

Notes to the financial statements for the year ended 31 March 2017 continued

9 Tax on profit continued

Tax (income)/expense included in other comprehensive income	**2017**	2016
	£'m	£'m
Deferred tax:		
Origination and reversal of timing differences	**(0.9)**	-
Total tax (income)/expense included in other comprehensive income	**(0.9)**	-

The tax assessed for the year is higher (2016:lower) than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017	2016
	£'m	£'m
Profit before taxation	**5.7**	7.9
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	**1.1**	1.6
Effects of:		
Pension deficit contribution made in year	**(0.3)**	(1.0)
Pension cost relief in excess of pension cost charge	**0.3**	1.0
Income not assessable to tax	**(1.0)**	(0.4)
Re-measurement of deferred tax – change in UK tax rate	**-**	(0.2)
Adjustment in respect of prior year	**0.3**	(0.2)
Depreciation in excess of capital allowances	**0.2**	0.2
Total tax charge for the year	**0.6**	1.0

Deferred taxation

The company recognises a deferred tax liability in relation to the pension surplus of £0.7m (2016: £1.2m), a liability in respect of fair value adjustments to investment property £0.5m (2016: £0.6m) and a liability of £0.1m in relation to certain derivative financial instruments (2016: £0.1m). Deferred tax assets of £0.1m (2016: £0.1m) are recognised in relation to certain other derivative financial instruments and other timing differences.

Tax rate change

In October 2015, the UK corporation rate was changed from 20% to 19% effective from 1 April 2017, with a further reduction to 18% effective from 1 April 2020. Deferred tax balances for the year ended 31 March 2017 are measured at the rate that is expected to apply to the reversal of the timing difference.

Notes to the financial statements for the year ended 31 March 2017 continued

10 Intangible assets

	Goodwill	Software	Total
	£'m	£'m	£'m
Cost			
At 1 April 2016	0.5	1.0	1.5
At 31 March 2017	**0.5**	**1.0**	**1.5**
Accumulated amortisation			
At 1 April 2016 and 31 March 2017	0.4	1.0	1.4
Net book amount			
At 31 March 2017	**0.1**	**-**	**0.1**
At 31 March 2016	0.1	-	0.1

Notes to the financial statements for the year ended 31 March 2017 continued

11 Tangible assets

	Freehold land and buildings	Short leasehold land and buildings	Plant and machinery	Industrial buildings	Total
	£'m	£'m	£'m	£'m	£'m
Cost or valuation					
At 1 April 2016	30.1	0.4	32.4	1.7	64.6
Additions	-	-	0.7	-	0.7
At 31 March 2017	**30.1**	**0.4**	**33.1**	**1.7**	**65.3**
Accumulated depreciation					
At 1 April 2016	24.1	0.3	27.0	1.4	52.8
Charge for year	0.1	-	1.0	-	1.1
At 31 March 2017	**24.2**	**0.3**	**28.0**	**1.4**	**53.9**
Net book amount					
At 31 March 2017	**5.9**	**0.1**	**5.1**	**0.3**	**11.4**
At 31 March 2016	6.0	0.1	5.4	0.3	11.8

Included within the net book value of freehold land and buildings is £3.9m (2016: £3.9m) in relation to investment properties which are held at fair value.

The fair values of the investment properties were assessed in March 2013, at the time of the acquisition of CPL Industries Holdings Limited by CPL Industries Group Limited, by independent valuers with recognised and relevant professional qualifications accredited by the Royal Institution of Chartered Surveyors and with recent experience in the locations and categories of the investment properties being valued. The valuations were conducted on the basis of open market value. The directors are of the opinion that there have been no significant changes to the properties or their open market value since the last formal valuation.

There is no movement in the fair value of the properties from 31 March 2016 to 31 March 2017 and no additions or disposals in the year. The difference between the fair value of the properties and the historical cost is £2.6m (2016: £2.6m). The historical cost of the properties was £1.3m (2016: £1.3m).

12 Investments

	Shares in subsidiary undertakings
	£'m
Cost	
At 1 April 2016	0.4
Disposals	(0.3)
At 31 March 2017	**0.1**
Provision for permanent diminution in value	
At 1 April 2016 and 31 March 2017	-
Net book amount	
At 31 March 2017	**0.1**
At 31 March 2016	0.4

On 13 June 2016 the company disposed of its investment in CPL Industries (EMEA) Limited to CPL Industries Limited, a fellow subsidiary of CPL Industries Group Limited. The investment had comprised of 1 ordinary share of £1.

On 6 January 2017 the company disposed of its investment in CPL France Limited (previously known as Broomco (4077) Limited) to CPL Industries (EMEA) Limited, a fellow subsidiary of CPL Industries Group Limited. The investment had comprised of 1 ordinary share of £1 and a share premium of £249,999.

13 Interests in group undertakings

Subsidiary undertakings
Details of the directly held subsidiary undertaking and the nature of its business is as follows:

Subsidiary	Nature of business	% held
Palco Shipping and Trading Limited	Non trading	100

The shares held in the company are £1 ordinary shares. The registered office of the company is Westthorpe Fields Road, Killamarsh, Sheffield, S21 1TZ. The company was incorporated in the United Kingdom. The directors believe that the book value of investments is supported by their underlying net assets.

14 Inventories

	2017 £'m	2016 £'m
Raw materials and consumables	**2.4**	3.2
Finished goods	**4.0**	3.7
	6.4	6.9

15 Debtors

	2017 £'m	2016 £'m
Trade debtors	**3.9**	4.8
Amounts owed by group undertakings	**80.5**	69.8
Corporation tax	**0.2**	0.4
Group relief receivable	**-**	0.1
Derivative financial instruments (note 20)	**0.5**	0.3
Deferred tax	**0.1**	0.1
Prepayments and accrued income	**0.4**	0.3
	85.6	75.8

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

16 Creditors: amounts falling due within one year

	2017 £'m	2016 £'m
Trade creditors	**10.5**	8.3
Amounts owed to group undertakings	**25.4**	22.5
Taxation and social security	**0.2**	0.2
Derivative financial instruments (note 20)	**0.3**	0.3
Group relief payable	**0.2**	-
Other creditors	**-**	0.2
Accruals and deferred income	**1.3**	1.6
	37.9	33.1

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

Notes to the financial statements for the year ended 31 March 2017 continued

17 Provisions for liabilities

	Concessionary fuel in retirement	Other provisions	Deferred tax	Total
	£'m	£'m	£'m	£'m
At 1 April 2016	0.9	0.2	1.9	3.0
Raised in the year	-	(0.1)	(0.6)	(0.7)
Utilised in the year	-	-	-	-
At 31 March 2017	**0.9**	**0.1**	**1.3**	**2.3**

Concessionary fuel in retirement
The company has an obligation to certain former employees to provide concessionary solid fuel in retirement. This provision is based on the advice of actuaries and updated annually. The principal assumptions made, concerning the amounts that may be required to settle the obligations are as follows:

- discount rates used are based upon the 15 year corporate bond rate adjusted for long term inflation, assumed to be 0.3% (2016: 1.0%);
- the life expectancy at 65 of men is 22 years and 25 years for women.

Deferred tax
The provision for deferred tax comprises of pensions surplus £0.7m (2016: £1.2m), fair value of investment properties £0.5m (2016: £0.6m) and derivative financial instruments £0.1m (2016: £0.1m).

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:

	2017	2016
	£'m	£'m
Defined contribution schemes	**0.2**	0.2

Employer contributions of £19,000 (2016: £25,000) were accrued at 31 March 2017.

18 Pension costs and other retirement benefits continued

Defined benefit schemes

Three of the major schemes in which the company has been involved are defined benefit schemes, which have been closed to new entrants since 1999. They are all funded schemes based on final salary. The plans are all administered by independent trustees, who are responsible to ensure that the plans are sufficiently funded to meet current and future obligations.

The company has maintained ongoing deficit reduction contributions to eliminate the deficiencies. The company paid normal ongoing contributions to the defined benefit schemes of £0.4m (2016: £0.4m) and paid additional deficit reduction contributions of £1.1m (2016: £5.0m).

The defined benefit section of the CPL Industries Pension Plan has been closed to future accruals of benefit since 30 April 2004. This does not affect pension benefits earned to that date and all members of this scheme were invited to join the defined contribution section of the CPL Industries Pension Plan. The IWCSS and IWMP Schemes are closed to new entrants.

On 27 March 2016, the company transferred all its assets and liabilities under the CPL Industries Pension Plan under a Flexible Apportionment Arrangement ("FAA") to CPL Industries Limited, a fellow member of the multi-employer scheme. In conjunction with the FAA, the company has issued an unsecured guarantee to the Plan in respect of plan expenses, deficit contributions and any Section 75/buyout deficit on a termination basis.

The calculations for inclusion of amounts in the financial statements have been based on the following valuation dates updated to 31 March 2017 by professionally qualified independent actuaries:

Industry Wide Coal Staff Superannuation (IWCSS) Scheme	31 December 2015
Industry Wide Mineworkers Pension (IWMP) Scheme	31 December 2015
CPL Industries Pension Plan	31 March 2014

The major assumptions used by the actuaries were:

	2017		**2016**	
	CPL Scheme	**IW Schemes**	**CPL Scheme**	**IW Schemes**
Discount rate	**n/a**	**2.60%**	3.45%	3.60%
Rate of increase in salaries	**n/a**	**3.25%**	n/a	2.95%
Rate of increases of inflation linked pensions in payment	**n/a**	**3.25%**	2.85%	2.95%
Inflation assumption	**n/a**	**3.25%**	2.85%	2.95%

Notes to the financial statements for the year ended 31 March 2017 continued

18 Pension costs and other retirement benefits continued

The mortality assumptions used were as follows:

	2017 Years	2016 Years
Longevity at age 65 for current pensioners:		
- Men	**19.5 – 20.8**	18.4 – 22.2
- Women	**22.6 – 22.7**	21.8 – 24.1
Longevity at age 65 for future pensioners:		
- Men	**20.6 – 21.9**	19.7 – 22.4
- Women	**23.9 – 23.9**	23.3 – 25.7

Reconciliation of scheme assets and liabilities

	Assets £'m	**Liabilities £'m**	**Total £'m**
At 1 April 2016	45.2	(38.1)	7.1
Benefits paid	(1.4)	1.4	-
Employer contributions	1.7	-	1.7
Current service cost	-	(0.4)	(0.4)
Interest income/(expense)	1.6	(1.3)	0.3
Remeasurement gains/(losses)			
Actuarial losses	-	(10.0)	(10.0)
Return on plan assets excluding interest income	5.0	-	5.0
At 31 March 2017	**52.1**	**(48.4)**	**3.7**

Analysis of amounts charged to operating profit

	2017 £'m	2016 £'m
Current service cost	**0.4**	0.5

Notes to the financial statements for the year ended 31 March 2017 continued

18 Pension costs and other retirement benefits continued

Analysis of amounts credited/ (debited) to other finance income

	2017	2016
	£'m	£'m
Expected return on pension scheme assets	**1.6**	2.6
Interest on pension scheme liabilities	**(1.3)**	(2.5)
	0.3	0.1

Analysis of amounts recognised in other comprehensive (expense)/income

	2017	2016
	£'m	£'m
Actual return less expected return on scheme assets	**5.0**	(2.9)
Actuarial (loss)/gain	**(10.0)**	4.2
	(5.0)	1.3

The assets of the schemes are invested in investment funds managed by a number of independent fund managers. The assets in the scheme were:

	2017	2016
	£'m	£'m
Equities	**21.3**	16.2
Absolute return funds	**5.4**	5.5
Bonds	**21.3**	18.0
Property	**3.8**	3.8
Cash and cash equivalents	**0.3**	1.7
	52.1	45.2

18 Pension costs and other retirement benefits continued

The return on plan assets was:

	2016	2016
	£'m	£'m
Interest income	**1.6**	2.6
Return on plan assets less interest income	**5.0**	(2.9)
	6.6	(0.3)

19 Called up share capital

	2017	2016
	£'m	£'m
Authorised		
47,134,217 (2016: 47,134,217) ordinary shares of £1 each	**47.1**	47.1
Allotted and fully paid		
42,134,217 (2016: 42,134,217) ordinary shares of £1 each	**42.1**	42.1

Notes to the financial statements for the year ended 31 March 2017 continued

20 Financial instruments

	2017	2016
	£'m	£'m
Financial assets measured at fair value through profit and loss		
Derivative financial instruments	0.5	0.3
	0.5	0.3
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	3.9	4.8
Amounts owed by group undertakings	80.5	69.8
Group relief receivable	-	0.1
Prepayments and accrued income	0.4	0.3
	84.8	75.0
Financial liabilities at fair value through profit and loss		
Derivative financial instruments	0.3	0.3
	0.3	0.3
Financial liabilities measured at amortised cost		
Trade creditors	10.5	8.3
Amounts owed to group undertakings	25.4	22.5
Other creditors	-	0.2
Group relief payable	0.2	-
Accruals	1.3	1.6
	37.4	32.6

Derivative financial instruments – Forward contracts

The company enters in forward foreign currency contracts to hedge the exchange risk for certain foreign currency sales and purchases. At 31 March 2017 the outstanding contracts all mature within 12 months (2016: 15 months). The company is committed to buy US$9.9m (2016: US$6.2m), sell €6.3m (2016: €10.5m), buy €1.3m (2016:€0.0m), sell CAD$0.4m (2016: CAD$0.4m) and buy ZAR18.0m (2016: ZAR0.0m).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD, GBP:EUR, GBP:CAD and GBP:ZAR. The net fair value of the forward-foreign currency contracts is £0.2m favourable (2016: £0.1m adverse).

During 2017, a hedging gain of £0.3m (2016: £0.1m loss) was recognised in other comprehensive income for changes in the fair value of the forward-foreign currency contracts and a £0.1m loss (2016: £0.8m gain) was reclassified from the hedge reserve to profit and loss

Notes to the financial statements for the year ended 31 March 2017 continued

21 Related party transactions

The company's related party transactions were with wholly owned subsidiaries and have not been disclosed. Key management consists of the directors, there have been no transactions with directors that haven't already been disclosed in note 5 to the financial statements.

22 Financial commitments

At 31 March the company had the following future minimum lease under non-cancellable operating leases:

	2017		2016	
	Land and buildings	**Other**	Land and buildings	Other
	£'m	**£'m**	£'m	£'m
Not later than one year	**0.6**	**0.3**	0.6	0.3
Later than one year and not later than five years	**2.6**	**0.2**	2.5	0.1
Expiring after five years	**6.3**	**-**	6.7	-
	9.5	**0.5**	9.8	0.4

23 Ultimate parent company

The immediate parent undertaking is CPL Industries Limited.

For the year ended 31 March 2017 CPL Industries Group Limited is the largest and smallest group in which these financial statements are consolidated. Copies of the financial statements of CPL Industries Group Limited may be obtained from the Company Secretary, CPL Industries Group Limited, Westthorpe Fields Road, Killamarsh, Sheffield, S21 1TZ.

At the 31 March 2017 the directors consider VCP Jet Luxco Sarl is the ultimate parent company and controlling party. Copies of the financial statements of VCP Jet Luxco Sarl are available from 5 rue Guillaume Kroll, L-1882, Luxembourg.