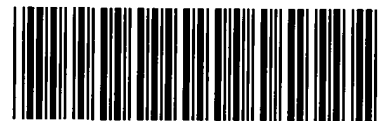


Registered Number 1102042

Coal Products Limited
Annual report
for the year ended 31 March 2014

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Coal Products Limited

Annual report

for the year ended 31 March 2014

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Coal Products Limited

Directors and advisers for the year ended 31 March 2014

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 registered auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Benson House

33 Wellington Street

Leeds

LS1 4JP

Solicitors

DLA Piper UK LLP

1 St Paul's Place

Sheffield

S1 2JX

Bankers

Lloyds TSB Bank plc

14 Church Street

Sheffield

S1 1 HP

Coal Products Limited

Strategic Report for the year ended 31 March 2014

The Directors present the Strategic Report for the year ended 31 March 2014

Review of business and future developments

The profit and loss account for the year is set out on page 7. Profit before tax for the financial year increased to £14.4m from £13.9m in the prior year. The directors consider that both the level of business and the year end financial position remain satisfactory. The directors expect that the present level of activity will be sustained for the foreseeable future. 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 accounts of CPL Industries Group Limited.

Principle risks and uncertainties

The key risks affecting the company are:

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.

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 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 4 of the group's annual report, which does not form part of this report.

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
5 March 2015

Coal Products Limited

Directors' report for the year ended 31 March 2014

The directors present their report and the audited financial statements of the company for the year ended 31 March 2014.

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

Two interim dividend payments of £16,049,233 and £4,837,695 were proposed and paid on 1st May 2013 and 28th November 2013, respectively.

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


There is no requirement for directors to retire by rotation.

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
5 March 2015

Coal Products Limited

Statement of directors' responsibilities

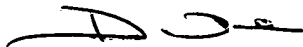
The directors are responsible for preparing the strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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
5 March 2015**

Coal Products Limited

Independent auditors' report to the members of Coal Products Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Coal Products Limited, comprise:

- the Balance sheet as at 31 March 2014;
- the Profit and loss account and Statement of total recognised gains and losses for the year then ended;
- the Reconciliation of movements in shareholders' funds 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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.

Coal Products Limited

Independent auditors' report to the members of Coal Products Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.

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 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 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.



Nicholas Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
5 March 2015

Coal Products Limited

Profit and loss account for the year ended 31 March 2014

	Note	2014 £'m	2013 £'m
Turnover	2	80.2	82.8
Operating expenses	3	(66.7)	(69.3)
Exceptional operating expenses	3	(0.3)	(0.2)
		(67.0)	(69.5)
Operating profit		13.2	13.3
Net interest receivable	6	1.2	0.6
Profit on ordinary activities before taxation	7	14.4	13.9
Tax on profit on ordinary activities	8	(1.1)	(1.5)
Profit for the financial year	20	13.3	12.4

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

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents for the current and prior year results.

Statement of total recognised gains and losses for the year ended 31 March 2014

	Note	2014 £'m	2013 £'m
Profit for the financial year		13.3	12.4
Actuarial loss on pension scheme	18	(4.2)	(0.5)
Movement on deferred tax relating to pension liability	8	1.0	0.1
Gain due to change in company split of pension liability	18	-	0.1
Total recognised gains relating to the year		10.1	12.1

Coal Products Limited

Reconciliation of movements in shareholders' funds

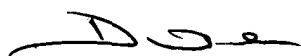
	Note	2014 £'m	2013 £'m
Profit for the financial year		13.3	12.4
Actuarial loss on pension scheme net of deferred tax	18	(3.2)	(0.4)
Gain due to change in company split of pension liability	18	-	0.1
Dividends paid	9	(20.9)	-
Net (decrease)/increase in shareholders' funds		(10.8)	12.1
Opening shareholders' funds		66.1	54.0
Closing shareholders' funds		55.3	66.1

Coal Products Limited

Balance sheet as at 31 March 2014

	Note	2014 £'m	2013 £'m
Fixed assets			
Intangible assets	10	0.2	0.2
Tangible assets	11	9.4	9.5
Investments	12	0.4	0.4
		10.0	10.1
Current assets			
Stocks	14	8.2	5.2
Debtors	15	44.0	57.1
Cash at bank and in hand		6.7	11.0
		58.9	73.3
Creditors: amounts falling due within one year	16	(11.0)	(13.4)
Net current assets		47.9	59.9
Total assets less current liabilities		57.9	70.0
Provisions for liabilities	17	(1.1)	(1.1)
		(1.1)	(1.1)
Net assets excluding pension asset/(deficit)		56.8	68.9
Pension asset	18	0.5	1.2
Pension deficit	18	(2.0)	(4.0)
Net assets including pension asset/(deficit)		55.3	66.1
Capital and reserves			
Called up share capital	19	42.1	42.1
Revaluation reserve	20	-	0.6
Profit and loss account	20	13.2	23.4
Total shareholders' funds		55.3	66.1

The financial statements on pages 7 to 29 were approved by the board of directors on 5 March 2015 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 2014

1 Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, 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 Group 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.

Coal Products Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

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'

Coal Products Limited

Notes to the financial statements for the year ended 31 March 2014 (continued)

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 Group Limited and the cash flows of the company are included in the consolidated group cash flow statement of CPL Industries Group 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 Group Limited and fellow subsidiary undertakings are not disclosed.

Coal Products Limited

2 Turnover

Geographical analysis by destination:	2014	2013
	£'m	£'m
United Kingdom	69.7	75.8
Europe	9.5	6.0
Rest of world	1.0	1.0
	80.2	82.8

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

3 Operating expenses

	2014	2013
	£'m	£'m
Raw materials and consumables	53.4	54.2
Other operating charges	9.2	7.4
Employee costs (note 5)	6.1	6.0
Depreciation (note 11)	1.0	0.8
Exceptional operating expenses (see below)	0.3	0.2
	70.0	68.6
(Increase) / Decrease in stocks	(3.0)	0.9
	67.0	69.5

Exceptional operating expenses comprise:	2014	2013
	£'m	£'m
Environmental and site remediation costs	0.3	0.2
	0.3	0.2

Coal Products Limited

4 Directors' emoluments

Three of the directors received emoluments in respect of their directorships of Coal Products Limited during the year (2013: three). The aggregate emoluments amounted to £444,475 (2013: £404,621). Contributions of £23,323 (2013: £43,461) were made to a defined benefit pension scheme on behalf of two (2013: two) of the directors.

The emoluments paid to the highest paid director were £194,897 (2013: £147,941). As part of these emoluments, the highest paid director received £45,207 (2013: £14,608) under an incentive programme for achieving certain financial targets.

Retirement benefits are accruing to two directors (2013: 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 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	2014 Number	2013 Number
Production	61	66
Selling and distribution	7	7
Administration	60	60
	128	133
<hr/>		
Staff costs (for the above persons)	2014 £'m	2013 £'m
Wages and salaries	4.9	4.8
Social security costs	0.5	0.5
Other pension costs (note 18)	0.7	0.7
	6.1	6.0

Coal Products Limited

6 Net interest receivable

	2014	2013
	£'m	£'m
Interest receivable and similar income		
Other finance income (note 18)	1.2	0.6
Net interest receivable	1.2	0.6

7 Profit on ordinary activities before taxation

	2014	2013
	£m	£m
Profit on ordinary activities before taxation is stated after charging:		
Operating lease payments		
- land and buildings	0.6	0.6
- plant and machinery	0.4	0.4
Services provided by the company's auditor:		
- Fees payable for the audit	0.1	0.1
Research and development expenditure	0.6	0.4

Coal Products Limited

8 Tax on profit on ordinary activities

	2014 £'m	2013 £'m
Current tax:		
United Kingdom corporation tax on the profits for the year	-	1.0
Prior year adjustment	(0.3)	-
Amounts payable/(receivable) for group relief	0.1	(0.5)
Total current tax	(0.2)	0.5
Deferred tax:		
Pension cost relief in excess of pension cost charge	1.3	1.0
Total deferred tax	1.3	1.0
Tax on profit on ordinary activities	1.1	1.5

The tax assessed for the year differs (2013:differs) from the standard rate of corporation tax in the UK 23% (2013: 24%). The differences are explained below:

	2014 £'m	2013 £'m
Profit on ordinary activities before tax	14.4	13.9
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013: 24%)	3.3	3.3
Pension deficit contributions included in Statement of total recognised gains and losses deductible for tax purposes	(1.3)	(1.4)
Utilisation of other group losses	(1.9)	(1.4)
Prior year adjustment	(0.3)	-
Current tax charge for the year	(0.2)	0.5

Coal Products Limited

Deferred taxation

The company has an unrecognised deferred tax asset of £1.6m (2013: £1.9m) 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 23% to 21% the relevant deferred tax balances have been re-measured.

In addition to changes in rates of corporation tax disclosed above further changes to the UK Corporation tax rates were substantially enacted as part of the Finance Bill 2013 on 2 July 2013. This includes reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. The relevant deferred tax balances have been re-measured

Deferred tax asset relating to pension deficit (note 18)

	2014 £'m	2013 £'m
At 1 April	0.8	1.7
Deferred tax charged to profit and loss account	(1.3)	(1.0)
Deferred tax credited/(charged) to the statement of total recognised gains and losses		
- on actuarial loss	1.0	0.1
- change in tax rate	(0.1)	-
At 31 March	0.4	0.8

9 Dividends

	2014 £'m	2013 £'m
Ordinary - Interim dividend paid 28 th November 2013	4.8	-
Ordinary - Interim dividend paid 1 st May 2013	16.1	-
Total Dividend Paid in Year	20.9	-

The total dividends paid amount to £0.50 per ordinary share.

Coal Products Limited

10 Intangible assets

	Goodwill £'m
Cost	
At 1 April 2013	0.5
Additions	-
At 31 March 2014	0.5
Accumulated amortisation	
At 1 April 2013	0.3
Charge for year	-
At 31 March 2014	0.3
Net book amount	
At 31 March 2014	0.2
At 31 March 2013	0.2

Coal Products Limited

11 Tangible assets

	Freehold land and buildings	Short leasehold land and buildings	Plant and machinery	Industrial buildings	Assets held for resale	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Cost or valuation						
At 1 April 2013	5.0	0.4	30.8	1.8	23.6	61.6
Additions	2.3	-	1.0	-	-	3.3
Disposals	(3.5)	-	(0.3)	(0.1)	-	(3.9)
At 31 March 2014	3.8	0.4	31.5	1.7	23.6	61.0
Accumulated depreciation						
At 1 April 2013	2.6	0.3	25.6	1.4	22.2	52.1
Charge for year	0.1	-	0.9	-	-	1.0
Disposals	(1.2)	-	(0.3)	-	-	(1.5)
At 31 March 2014	1.5	0.3	26.2	1.4	22.2	51.6
Net book amount						
At 31 March 2014	2.3	0.1	5.3	0.3	1.4	9.4
At 31 March 2013	2.4	0.1	5.2	0.4	1.4	9.5

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.

Coal Products Limited

12 Fixed asset investments

	Shares in subsidiary undertakings £'m
Cost	
At 1 April 2013 and 31 March 2014	0.4
Provision for permanent diminution in value	
At 1 April 2013 and 31 March 2014	-
Net book amount	
At 1 April 2013 and 31 March 2014	0.4

13 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.

14 Stocks

	2014 £'m	2013 £'m
Raw materials and consumables	3.3	2.6
Finished goods	4.9	2.6
	8.2	5.2

Coal Products Limited

15 Debtors

	2014 £'m	2013 £'m
Trade debtors	4.3	9.1
Amounts owed by group undertakings	38.4	46.1
Amounts owed by associated companies	-	0.9
Corporation Tax	0.5	0.3
Group relief receivable	0.4	0.4
Prepayments	0.4	0.3
	44.0	57.1

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

	2014 £'m	2013 £'m
Trade creditors	8.3	10.4
Amounts owed to group undertakings	1.2	1.2
Other taxation and social security	0.2	0.8
Accruals	1.3	1.0
	11.0	13.4

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

17 Provisions for liabilities

	Concessionary fuel in retirement £'m
At 1 April 2013	1.1
Raised in the year	-
Utilised in the year	-
At 31 March 2014	1.1

Concessionary fuel in retirement

The principal assumptions made, concerning the amounts that may be required to settle the obligations are as follows:

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- (a) discount rates used are based upon the 15 year corporate bond rate adjusted for long term inflation (assumed to be 4.3% (2013: 3.0%);
- (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:

	2014 £'m	2013 £'m
Defined contribution schemes	0.3	0.3

Employer contributions of £25,000 (2013: £25,000) were accrued at 31 March 2014.

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 2011	31 December 2009	31 December 2009
Method used	Projected unit	Projected unit	Projected unit
Market value of investments £'m	94.0	14.9	7.2
Deficit £'m	(14.3)	(7.2)	(3.1)
Level of funding	86%	67%	71%
Main assumptions			
Rate of price inflation	3.60%	3.80%	3.80%
Return on investments	5.40%	5.20%	5.20%
Increase in earnings	N/A	4.80%	4.80%

The company has agreed increased contributions designed to eliminate the deficits. The company paid contributions to the defined benefit schemes of in the period to 31 March 2014 £5.1m (2013: £3.8m). £1.7m of the current year payments relate to one off deficit recovery payments (2013:£1.4m).

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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.

The company contributes to the defined contribution section of the CPL Industries Pension Plan which is operated by CPL Industries Limited. All new employees of the company are offered admittance to the defined contribution section of the CPL Industries Pension Plan.

The calculations for inclusion of amounts in the accounts have been based on the following valuation dates updated to 31 March 2014 by professionally qualified independent actuaries:

Industry Wide Coal Staff Superannuation (IWCSS) Scheme	31 December 2009
Industry Wide Mineworkers Pension (IWMP) Scheme	31 December 2009
CPL Industries Pension Plan	31 March 2011

The major assumptions used by the actuaries were:

	2014		2013	
	CPL Scheme	IW Schemes	CPL Scheme	IW Schemes
Discount rate	4.25%	4.25%	4.20%	4.40%
Rate of increase in salaries	n/a	3.30%	n/a	1.00%
Rate of increases of inflation linked pensions in payment	3.25%	3.30%	3.25%	3.35%
Inflation assumption	3.25%	3.30%	3.25%	3.35%

The mortality assumptions used were as follows:

	2014 Years	2013 Years
Longevity at age 65 for current pensioners:		
- Men	83.6 to 85.7	83.5 to 85.9
- Women	86.9 to 88.4	86.9 to 88.6
Longevity at age 65 for future pensioners:		
- Men	85.0 to 87.1	84.8 to 87.1
- Women	88.5 to 90.0	88.5 to 90.2

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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
	2014	2014	2013	2013
	£'m	%	£'m	%
Equities	28.2	7.5%	23.4	8.00%
Global Absolute Return Funds	13.6	6.5%	14.4	7.00%
Bonds	23.7	4.25%	20.3	3.00% to 4.20%
Property	4.0	6.5%	3.5	7.00%
Cash	0.3	1%	2.3	2.90%
	69.8		63.9	

The full market value of the assets was not used in the calculation of the deficit due an asset cap in relation to the scheme in surplus as required by FRS 17.

Pensions and post-retirement obligations

The amounts recognised in the balance sheet are determined as follows:

	2014	2013
	£'m	£'m
Total market value of assets	68.4	63.9
Present value of scheme liabilities	(70.3)	(67.5)
Deficit in the scheme	(1.9)	(3.6)
Related deferred tax asset	0.4	0.8
Net pension deficit	(1.5)	(2.8)

	Surplus/(deficit)	Related deferred tax	Net pension asset/(liability)
Comprising:			
Surpluses	0.6	(0.1)	0.5
Deficits	(2.5)	0.5	(2.0)
Net surpluses/(deficits)	(1.9)	0.4	(1.5)

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

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Reconciliation of scheme liabilities

	2014 £'m	2013 £'m
At 1 April	67.5	63.7
Current service cost	0.4	0.4
Interest cost	2.9	2.9
Change in company split of CPL scheme	-	(0.8)
Actuarial loss	1.9	3.9
Benefits paid	(2.4)	(2.6)
At 31 March	70.3	67.5

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 2014 £'m	Funded status 31 March 2013 £'m
Base result		(1.9)	(3.6)
Discount rate	Increase by 1%	7.2	5.9
Rate of inflation	Decrease by 1%	1.7	2.5
Mortality	Increase by 1 year at all ages	(4.6)	(6.1)

Reconciliation of fair value of scheme assets

	2014 £'m	2013 £'m
At 1 April	63.9	56.4
Expected return on scheme assets	4.1	3.5
Actuarial (loss)/ gain	(0.8)	3.4
Contribution paid by employer	5.1	3.8
Contribution paid by employee	-	0.1
Change in company split of CPL scheme	-	(0.7)
Benefits paid	(2.4)	(2.6)
Change in asset ceiling	(1.5)	-
At 31 March	68.4	63.9

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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 £3.3m (2013: £6.9m).

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 2014	31 March 2013
	£'m	£'m
Current service cost	0.4	0.4

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

	31 March 2014	31 March 2013
	£'m	£'m
Expected return on pension scheme assets	4.1	3.5
Interest on pension scheme liabilities	(2.9)	(2.9)
Net return	1.2	0.6

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

	31 March 2014	31 March 2013
	£'m	£'m
Actual return less expected return on pension scheme assets	(0.8)	3.4
Experience losses arising on the scheme liabilities	(0.4)	(0.2)
Changes in assumptions underlying the present value of the scheme liabilities	(1.5)	(3.7)
Change in asset ceiling	(1.5)	-
Actuarial loss recognised in STRGL	(4.2)	(0.5)

The cumulative amount of actuarial losses, net of deferred tax, recognised in the statement of recognised gains and losses is £15.5m (2013: £12.3m).

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Details of experience gains and losses for the year

	31 March 2014 £'m	31 March 2013 £'m	31 March 2012 £'m	31 March 2011 £'m	31 March 2010 £'m
Difference between the expected and actual return on scheme assets:					
Amount	0.8	3.4	0.7	(0.4)	9.4
Percentage of scheme assets	0.1%	5.3%	1.2%	0.8%	18.7%
Experience (losses)/gains on scheme liabilities					
Amount	(0.4)	(0.2)	0.7	0.1	(2.0)
Percentage of the present value of scheme liabilities	0.6%	0.3%	1.1%	0.2%	3.4%
Total amount recognised in statement of total recognised gains and losses:					
Amount	(4.2)	(0.5)	(3.6)	0.9	(5.1)
Percentage of the present value of scheme liabilities	6.0%	0.8%	5.7%	1.5%	8.8%

19 Called up share capital

	2014 £'m	2013 £'m
Authorised		
47,134,217 (2013: 47,134,214) ordinary shares of £1 each	47.1	47.1
Allotted and fully paid		
42,134,217 (2013: 42,134,214) ordinary shares of £1 each	42.1	42.1

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20 Reserves

	Profit and loss account	Revaluation reserve
	£'m	£'m
At 1 April 2013	23.4	0.6
Actuarial loss on the pension scheme net of deferred tax	(3.2)	-
Dividends	(20.9)	-
Realised Revaluation	0.6	(0.6)
Profit for the financial year	13.3	-
At 31 March 2014	13.2	-

21 Financial commitments

At 31 March 2014, the company had annual commitments under non-cancellable operating leases as follows:

	2014		2013	
	Land and buildings	Other	Land and buildings	Other
	£'m	£'m	£'m	£'m
Expiring within one year	-	0.2	-	-
Expiring within two to five years	-	-	-	0.2
Expiring after five years	0.5	-	0.5	-
	0.5	0.2	0.5	0.2

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At 31 March 2014 the company had outstanding forward transactions to hedge foreign currencies as follows:

	Currency						Sterling equivalent	
	2014			2013			2014	2013
	CAN \$'000	US \$'000	EUR €'000	CAN \$'000	US \$'000	EUR €'000	£'000	£'000
To hedge payment for sales made in foreign currencies	-	-	4,500	-	-	7,350	3,860	6,148
To hedge payment for purchases made in foreign currencies	-	11,100	-	-	9,685	-	6,998	6,135

The fair value of outstanding forward purchase and sales contracts at the year end was £192,000 adverse (2013: £183,000 favourable). 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

For the year ended 31 March 2014 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 2014 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.