Registered Number 6165501

CPL France Limited

Annual report

for the year ended 31 March 2018

CPL France Limited

Contents

CPL France Limited

Directors and advisers
for the year ended 31 March 2018

Directors
T W Minett
D Wake
P Scott
D Morgan
J Sutton

Registered office
Westthorpe Fields Road
Killamarsh
Sheffield
S21 1TZ

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL

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

CPL France Limited

Strategic report
for the year ended 31 March 2018

The directors present the strategic report for the year ended 31 March 2018.

Review of business and future developments
The profit and loss account for the year is set out on page 9.

Profit before taxation was £117,000 (2017: £23,000 loss). Both the level of business and the year end financial position are considered satisfactory. CPL Industries Group Limited and its subsidiaries (together the "Group"), of which the company is a member, is managed and the strategy set at a group level rather than at an individual business unit level, therefore review of the business, future developments and consideration of KPI's are included in the financial statements of CPL Industries Group Limited.

Principal 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.

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 CPL France 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 in this regard are regularly reviewed with the objective of ensuring these standards are maintained.

CPL France Limited

Strategic report
for the year ended 31 March 2018 continued

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

Approved and signed on behalf of the board

D Wake
Director
19 September 2018

CPL France Limited

Directors' report
for the year ended 31 March 2018

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2018.

Principal activities
Prior to 15 February 2017 the company was dormant. On 15 February 2017, the principal activity of the company became the distribution of solid fuel, when it purchased certain trade and assets of Groupe Lamy for total consideration of £2,603,000.

Going Concern
At 31 March 2018 the company has net current liabilities of £603,000 (2017: £671,000). The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of CPL Industries Group Limited.

Dividends
No interim dividend was declared during the financial year (2017: £nil). The directors do not recommend the payment of a final dividend (2017: £nil).

Directors
The directors of the company who served during the year and up to the date of signing the financial statements are listed below:

T W Minett
D Wake
P Scott
D Morgan
J Sutton

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
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'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 the company debtors are shown in Note 11 to the financial statements.

CPL France Limited

Directors' report
for the year ended 31 March 2018 continued

Financial instruments continued
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.

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 to the company will be proposed at the next general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

D Wake
Director
19 September 2018

CPL France 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.

On behalf of the board

D Wake
Director
19 September 2018

Independent auditors' report to the members of CPL France Limited

Report on the audit of the financial statements

Opinion

In our opinion, CPL France Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2018; the Profit and loss account, the Statement of other comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andy Ward (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
19 September 2018

CPL France Limited

Profit and loss account
for the year ended 31 March 2018

	Note	2018	2017
		£'000	£'000
Turnover	3	**5,632**	246
Operating expenses	4	**(5,515)**	(269)
Profit/(loss) before taxation		**117**	(23)
Tax on profit/(loss)	7	**(40)**	-
Profit/(loss) for the financial year		**77**	(23)

All items dealt with in arriving at operating profit/(loss) relate to continuing activities.

There is no material difference between the profit/(loss) before taxation and the profit/(loss) for the financial year stated above, and their historical cost equivalents.

The notes to the financial statements on pages 13 to 26 form an integral part of these financial statements.

CPL France Limited

Statement of comprehensive income for the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Profit/(loss) for the financial year		**77**	(23)
Other comprehensive expense:			
Exchange differences on retranslation of overseas branch		**(16)**	-
Other comprehensive expense for the year		**(16)**	-
Total comprehensive income/(expense) for the year		**61**	(23)

CPL France Limited

Balance sheet
as at 31 March 2018

	Note	2018	2017
		£'000	£'000
Fixed assets			
Intangible assets	8	**889**	898
Tangible assets	9	**2**	-
		891	898
Current assets			
Inventories	10	**605**	1,466
Debtors	11	**1,639**	496
Cash at bank and in hand		**89**	52
		2,333	2,014
Creditors: amounts falling due within one year	12	**(2,936)**	(2,685)
Net current liabilities		**(603)**	(671)
Total assets less current liabilities		**288**	227
Net assets		**288**	227
Capital and reserves			
Called up share capital	14	**1**	1
Share premium account		**249**	249
Foreign currency translation reserve		**(16)**	-
Profit and loss account		**54**	(23)
Total shareholders' funds		**288**	227

The financial statements on pages 9 to 26 were approved by the board of directors on 19 September 2018 and were signed on its behalf by:

D Wake
Director
CPL France Limited
Registered number: 6165501

CPL France Limited

Statement of changes in equity for the year ended 31 March 2018

	Called up share capital	Share premium account	Foreign currency translation reserve	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2016	1	249	-	-	250
Loss for the financial year	-	-	-	(23)	(23)
Balance at 31 March 2017	1	249	-	(23)	227
Balance at 1 April 2017	**1**	**249**	**-**	**(23)**	**227**
Profit for the financial year	-	-	-	77	77
Other comprehensive expense for the year	-	-	(16)	-	(16)
Total comprehensive income/(expense) for the year	**-**	**-**	**(16)**	**77**	**61**
Balance at 31 March 2018	**1**	**249**	**(16)**	**54**	**288**

CPL France Limited

Notes to the financial statements for the year ended 31 March 2018

1 Accounting Policies

Statement of compliance

The financial statements of CPL France 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.

Going Concern

At 31 March 2018 the company has net current liabilities of £603,000 (2017: £671,000). The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of CPL Industries Group Limited.

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 presentational currency of the company, rounded to the nearest £1,000.

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

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.

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.

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.

Dividends
Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final dividends are recognised when approved by the shareholders.

Employee benefits
The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements 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.

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.

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.

Notes to the financial statements for the year ended 31 March 2018 continued

1 Accounting Policies continued

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.

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 euro, these financial statements are presented in pound sterling and rounded to thousands.

The financial statements are of the company are measured in the functional currency. Assets and liabilities are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

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.

1 Accounting Policies continued

Foreign currencies continued
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.

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.

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.

1 Accounting Policies continued

Financial instruments continued
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.

Tangible fixed assets
Tangible fixed assets are stated at historic purchase cost 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, evenly over the economic useful life of the asset. The principal annual rates used for this purpose are:

Plant and machinery	3 - 10 years straight-line basis

Finance costs are not capitalised.

Freehold land is not depreciated.

1 Accounting Policies continued

Operating leases
Costs in respect of operating leases are charged on a straight-line basis over the lease term.

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 where 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.

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.

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.

Notes to the financial statements for the year ended 31 March 2018 continued

2 Critical accounting judgements and estimation uncertainty

continued

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.

3 Turnover

Geographical analysis by destination:	**2018** **£'000**	2017 £'000
Rest of Europe	**5,632**	246
	5,632	246

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.

Notes to the financial statements for the year ended 31 March 2018 continued

4 Operating expenses

	2018 £'000	2017 £'000
Materials	**4,692**	228
Employee costs (note 6)	**155**	14
Depreciation of tangible assets (note 9)	**1**	-
Amortisation of intangible assets (note 8)	**104**	10
Services provided by the company's auditors:		
Fees payable for the audit	**4**	1
Other operating charges	**559**	16
	5,515	269

5 Directors' emoluments

None (2017: none) of the directors received any emoluments for provision of their services to CPL France Limited. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of CPL Industries Group Limited.

6 Employee information

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

By activity	2018 Number	2017 Number
Selling and distribution	**1**	1
Administration	**1**	1
	2	2

Staff costs (for the above persons)	2018 £'000	2017 £'000
Wages and salaries	**114**	10
Social security costs	**26**	3
Other pension costs (note 13)	**15**	1
	155	14

7 Tax on profit/(loss)

Tax expense included in profit or loss	2018 £'000	2017 £'000
Current tax:		
United Kingdom corporation tax on the profit/loss for the year	-	-
Foreign corporation tax on the profit/(loss) for the year	40	-
Tax on profit/(loss)	**40**	-

The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £'000	2017 £'000
Profit/(loss) before taxation	117	(23)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	22	(5)
Effects of:		
Other timing differences	-	5
Impact of overseas tax rates	18	-
Tax on profit/(loss)	**40**	-

Notes to the financial statements for the year ended 31 March 2018 continued

8 Intangible assets

	Goodwill
	£'000
Cost	
At 1 April 2017	908
Additions	86
At 31 March 2018	**994**
Accumulated amortisation	
At 1 April 2017	10
Charge for the year	104
Foreign exchange translation adjustment	(9)
At 31 March 2018	**105**
Net book amount	
At 31 March 2018	**889**
At 31 March 2017	898

On 15 February 2018 the company acquired certain elements of the trade and assets of Groupe Lamy for total consideration of £2,603,000, with goodwill arising on the transaction amounting to £908,000. During the year, additional costs arising at the date of acquisition were identified in respect of this transaction resulting in the recognition of an additional £86,000 of goodwill.

Notes to the financial statements for the year ended 31 March 2018 continued

9 Tangible assets

	Plant and machinery £'000
Cost	
At 1 April 2017	-
Additions	3
At 31 March 2018	**3**
Accumulated amortisation	
At 1 April 2017	-
Charge for the year	1
At 31 March 2018	**1**
Net book amount	
At 31 March 2018	**2**
At 31 March 2017	-

10 Inventories

	2018 £'000	2017 £'000
Goods for resale	**605**	1,466

11 Debtors

	2018 £'000	2017 £'000
Trade debtors	**1,369**	246
Amounts owed by group undertakings	**264**	250
Other debtors	**1**	-
Prepayments and accrued income	**5**	-
	1,639	496

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

Notes to the financial statements for the year ended 31 March 2018 continued

12 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	**2,647**	856
Other creditors	**138**	1,829
Foreign corporation tax	**40**	-
Other creditors	**101**	-
Accruals and deferred income	**10**	-
	2,936	2,685

13 Pension costs

The company operates a defined contribution pension scheme. The total pension cost for the year was £9,000 (2017: £1,000). Outstanding employer contributions as at 31 March 2018 amount to £2,000 (2017: £1,000).

14 Called up share capital

	2018 £'000	2017 £'000
Authorised, allotted and fully paid		
1,000 (2017: 1,000) ordinary shares of £1 each	**1**	1

Notes to the financial statements for the year ended 31 March 2018 continued

15 Financial instruments

	2018 £'000	2017 £'000
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	**1,369**	246
Amounts owed by group undertakings	**264**	250
Other debtors	**1**	-
Prepayments and accrued income	**5**	-
	1,639	496
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings	**2,647**	856
Other creditors	**138**	1,829
Corporation tax	**40**	-
Other creditors	**101**	-
Accruals and deferred income	**10**	-
	2,936	2,685

16 Commitments and contingent liabilities

At 31 March 2018, the company had the following future minimum lease under non-cancellable operating leases:

	Plant and machinery	
	2018 £'000	2017 £'000
Not later than one year	**14**	-
Later than one year and not later than five years	**17**	-
	31	-

At 31 March 2018, the company had no capital commitments or contingent liabilities. (2017: none).

Notes to the financial statements for the year ended 31 March 2018 continued

17 Ultimate parent undertaking

The immediate parent undertaking is CPL Industries (EMEA) Limited.

For the year ended 31 March 2018 the largest and smallest group in which CPL France Limited is consolidated is CPL Industries Group Limited.

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 2018 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.