

Registered number: 11442710

CHAPLIN TOPCO LIMITED

ANNUAL REPORT

FOR THE PERIOD ENDED 30 JUNE 2019



CHAPLIN TOPCO LIMITED

COMPANY INFORMATION

Directors	R Howard (appointed 13 July 2018) L Zellan (appointed 13 July 2018) C Hodges (appointed 2 July 2018) T Leader (appointed 2 July 2018) C Van Oostrum (appointed 24 September 2019)
Registered number	11442710
Registered office	1 Cooke Close Thurmaston Leicester LE4 8PT
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

CHAPLIN TOPCO LIMITED

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CHAPLIN TOPCO LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2019

Introduction

The principal activity of the company is that of an investment holding company and the principal activity of its trading subsidiaries is the design, manufacture and distribution of high quality lenses for the film and television industries.

Business review

The company was incorporated on 2 July 2018 as the acquisition vehicle to acquire the entire issued share capital of Cooke Optics Group Limited. The acquisition took place on 13 July 2018. The company's shareholders are Caledonia Investments PLC and members of the management team of the Cooke Optics Group.

The results for the group show a loss on ordinary activities before taxation of £2,068,716. However, this is after a goodwill and other intangible asset amortisation charge of £10,586,877. The directors view EBITDA as a far more relevant measure of performance. EBITDA for the period was £10,173,002. During the period the group started delivering significant quantities of its new Panchro Classic and S7/i ranges of spherical prime lenses. Orders, for the new lenses in particular, were very strong with demand continuing to outstrip supply.

In order to maintain its premier position in the industry, Cooke Optics Limited invests heavily in research and development and this will continue in the coming year.

Principal risks and uncertainties

Market competition risk

The market for our products continues to expand with a number of television productions, including the latest Dr Who series, electing to use film style cameras and lenses to tell their stories. This has led to a number of new entrants to the market which can only increase the competitive environment. The group seeks to promote its market share by the constant development of new and innovative products.

Credit and currency risk

Most of our sales require payment prior to shipping and are invoiced in sterling. Our suppliers comprise both UK and overseas companies. In the case of overseas suppliers most are dollar based. Because of the existence of our US based subsidiary, Cooke Americas Inc, we have a natural hedge against dollar exposure. The group does not therefore need to have hedging arrangements in respect to trade debtors or creditors and does not consider credit risk to be a major concern.

Liquidity risk

The group is not reliant on overdraft facilities from its bank and therefore the directors do not believe there to be a cash flow and liquidity risk. At the period end the group had cash balances of £9,792,719. The group has entered into an agreement to act as guarantors for the borrowings of Chaplin Topco Limited, Chaplin Midco Limited, Chaplin Bidco Limited, Cooke Optics Group Limited, Cooke Optics Holdings Limited and Cooke Optics Limited.

Labour risk

The group is reliant on a skilled workforce and any significant reduction would have a material adverse effect on profitability. The group mitigates this risk by ensuring that it maintains competitive pay rates, ensuring comprehensive training of new employees and maintaining an apprentice training scheme.

CHAPLIN TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2019

Financial key performance indicators

The board monitors the performance of the group by reference to the following KPIs:

	2019
Sales	£28,122,025
Gross Margin	60.5%
EBITDA	£10,173,002
Employees	134

The board is satisfied with the group's performance.

Although the acquisition of the Cooke Optics Group Limited completed on 13 July 2018, on the grounds of materiality the trading results included within these consolidated financial statements cover the 12 month period from 1 July 2018.

This report was approved by the board and signed on its behalf.

R Howard
Director



Date:

1/11/19

CHAPLIN TOPCO LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2019

The directors present their report and the financial statements for the period ended 30 June 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the period, after taxation, amounted to £2,068,716.

During the period the directors have not declared a dividend.

Directors

The directors who served during the period are stated on the company information page.

CHAPLIN TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2019

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

This report was approved by the board and signed on its behalf.



R Howard
Director

Date: 1/11/19

CHAPLIN TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHAPLIN TOPCO LIMITED

Opinion

We have audited the financial statements of Chaplin Topco Limited (the 'company') and its subsidiaries (the 'group') for the period ended 30 June 2019, which comprise the group Statement of Comprehensive Income, the group and company Balance Sheets, the group Statement of Cash Flows, the group and company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group's loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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 group's or the parent 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.

CHAPLIN TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHAPLIN TOPCO LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters 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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

CHAPLIN TOPCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHAPLIN TOPCO LIMITED (CONTINUED)

Auditor's 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 Auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited

Peter Sterling (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

Date: *1 November 2019*

CHAPLIN TOPCO LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2019

	Note	2019 £
Turnover	3	28,122,025
Cost of sales		(11,106,105)
Gross profit		<u>17,015,920</u>
Administrative expenses		(7,341,737)
Exceptional administrative expenses - amortisation charge	10	(10,586,877)
Total administrative expenses		<u>(17,928,614)</u>
Other operating income	4	204,178
Operating loss	5	<u>(708,516)</u>
Interest receivable and similar income		40,025
Interest payable and expenses	8	(1,643,456)
Loss on ordinary activities before taxation		<u>(2,311,947)</u>
Taxation on loss on ordinary activities	9	243,231
Loss for the financial period		<u><u>(2,068,716)</u></u>
Currency translation differences		66,945
Total Comprehensive Loss for the Period		<u><u>(2,068,716)</u></u>

There were no recognised gains and losses for 2019 other than those included in the Consolidated Statement of Comprehensive Income.


The notes on pages 13 to 34 form part of these financial statements.

CHAPLIN TOPCO LIMITED
REGISTERED NUMBER: 11442710

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £
Fixed assets		
Intangible assets	11	88,729,963
Tangible assets	12	2,533,073
		<u>91,263,036</u>
Current assets		
Stocks	14	10,549,526
Debtors	15	1,956,961
Bank at bank and in hand		9,792,719
		<u>22,299,206</u>
Creditors: amounts falling due within one year	16	<u>(6,228,930)</u>
Net current assets		<u>16,070,276</u>
Total assets less current liabilities		107,333,312
Creditors: amounts falling due after more than one year	17	(29,657,320)
Provisions for liabilities		
Deferred taxation	19	(8,579,991)
Net assets		<u><u>69,096,001</u></u>
Capital and reserves		
Called up share capital	20	892
Share premium account	21	70,704,572
Capital contribution reserve	21	392,308
Foreign exchange reserve	21	66,945
Profit and loss account	21	(2,068,716)
Shareholders' funds		<u><u>69,096,001</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


R Howard
 Director

Date: 1/11/19

The notes on pages 13 to 34 form part of these financial statements.

CHAPLIN TOPCO LIMITED
REGISTERED NUMBER: 11442710

COMPANY BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £
Fixed assets		
Investments	13	75,872,263
		<u>75,872,263</u>
Current assets		
Debtors	15	377,168
Cash at bank and in hand		12,170
		<u>389,338</u>
Creditors: amounts falling due within one year	16	(5,545,246)
Net current liabilities		<u>(5,155,908)</u>
Net assets		<u>70,716,355</u>
Capital and reserves		
Called up share capital	20	892
Share premium account	21	70,704,573
Profit and loss account	21	10,890
Shareholders' funds		<u>70,716,355</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R Howard
Director



Date:

1/11/19

The notes on pages 13 to 34 form part of these financial statements.

CHAPLIN TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019

	Called up share capital £	Share premium account £	Capital contribution reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 2 July 2018	-	-	-	-	-	-
Loss for the period	-	-	-	-	(2,068,716)	(2,068,716)
Foreign exchange gain	-	-	-	66,945	-	66,945
Capital contribution in the period	-	-	392,308	-	-	392,308
Shares issued during the period	892	70,704,572	-	-	-	70,705,464
At 30 June 2019	892	70,704,572	392,308	66,945	(2,068,716)	69,096,001

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 2 July 2018	-	-	-	-
Profit for the period	-	-	10,890	10,890
Shares issued during the period	892	70,704,573	-	70,705,465
At 30 June 2019	892	70,704,573	10,890	70,716,355

The notes on pages 13 to 34 form part of these financial statements.

CHAPLIN TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019

	2019 £
Cash flows from operating activities	
Loss for the financial period	(2,068,716)
Adjustments for:	
Amortisation of intangible assets	10,586,877
Depreciation of tangible assets	294,640
Interest paid	1,643,456
Interest received	(40,025)
Taxation charge	(243,231)
Increase in stocks	(1,534,489)
Decrease in debtors	842,793
Decrease in creditors	(651,370)
Corporation tax received	299,682
Net cash generated from operating activities	<u>9,129,617</u>
Cash flows from investing activities	
Purchase of subsidiaries net of cash acquired	(66,492,767)
Purchase of tangible fixed assets	(542,123)
Interest received	40,025
Hire Purchase interest paid	(13,298)
Net cash from investing activities	<u>(67,008,163)</u>
Cash flows from financing activities	
Issue of ordinary shares	62,500,000
New secured loans	30,000,000
Repayment of bank loans	(7,858,332)
Repayment of other loans	(7,459,879)
Repayment of finance leases	(126,233)
Redeemed shares treated as debt	(7,729,045)
Payment to raise debt finance	(529,191)
Interest paid	(1,554,560)
Capital contribution received	392,308
Net cash used in financing activities	<u>67,635,068</u>
Net increase in cash and cash equivalents	9,756,522
Foreign exchange gains and losses	36,197
Cash and cash equivalents at the end of period	<u><u>9,792,719</u></u>
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	<u><u>9,792,719</u></u>

The notes on pages 13 to 34 form part of these financial statements.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

1. Accounting policies

Chaplin Topco Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the group. The company was incorporated on 2 July 2018 and these financial statements are for the first 12 month period ended 30 June 2019.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following policies have been applied consistently throughout the period:

1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ('the group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The group financial statements are drawn up to 30 June each year. Where subsidiary undertakings are acquired or disposed of during the year the Consolidated Statement of Comprehensive Income includes their results only for the part of the year from, or to the date, on which control is passed.

The statutory financial year end for Cooke Americas Inc, a subsidiary company, is 30 August. For the purpose of these consolidated financial statements, interim accounts for the year ended 30 June have been prepared for Cooke Americas Inc. These interim accounts have been subject to review procedures deemed appropriate for the purposes of inclusion of the accounts within these consolidated financial statements.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss after tax of the parent company for the period was £10,890.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

1. Accounting policies (continued)

1.3 Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the group and that the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its estimated useful economic life of 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. The estimated useful lives range as follows:

Brand	-	30 years
Technology	-	10 years
Order Book	-	3 years
Customer Relations	-	10 years
Goodwill	-	10 years

Other intangible assets arose upon the acquisition of the Cooke Optics Group in July 2018, and were established by a professional valuation of the assets acquired.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on a straightline basis.

Freehold land and buildings	-	Over 50 years
Plant and machinery	-	Variable over 2 to 10 years
Motor vehicles	-	Over 4 years
Fixtures, fittings and equipment	-	Variable over 2 to 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

At each balance sheet date, the group reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the Consolidated Statement of Comprehensive Income.

1.6 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost and are reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the Consolidated Statement of Comprehensive Income and the value of the investment is reduced accordingly. Costs includes associated professional costs where appropriate.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

1. Accounting policies (continued)

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

1.9 Foreign currency translation

Foreign currency transaction are translated into the functional currency using the spot exchange rate at the date of 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 the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

1.10 Research and development

Research and development expenditure is written off to the Consolidated Statement of Comprehensive Income in the period in which it is incurred.

1.11 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

1.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

1.13 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of past events, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation.

In respect of warranties provided on the group's products, the directors review the position but in view of the low historical incidence of claims, do not make provision on the grounds of materiality.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

1. Accounting policies (continued)

1.14 Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant rate of charge on the net obligation outstanding in each period.

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

1.15 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

1.16 Financial instruments

The group tends to only enter into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans from related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

1.17 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period to which they relate. Costs incurred in the raising of debt are deducted from the finance raised and are amortised to the Consolidated Statement of Comprehensive Income over the life of the relevant debt facilities.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

1. Accounting policies (continued)

1.18 Taxation

The tax charge for the period comprises current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current reporting period using the tax rates and law's that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Deferred tax is provided on separately identifiable intangible assets recognised as part of a business combination.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the group's accounting policies. 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.

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.

Impairment of non-current assets

The directors assess the impairment of property, plant and equipment and intangible assets subject to amortisation or depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Factors considered important that could trigger an impairment review include the following:

- Significant non performance relative to historical or projected future operating results;
- Significant changes in the use of the acquired assets or the business strategy; and
- Significant negative industry or economic trends.

Depreciation, amortisation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed regularly and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

Impairment of investments

The directors review the carrying value of investments for indications of impairment at each period end. If indicators of impairment exist, the carrying value of the investment is subject to further testing to determine whether its carrying value exceeds the recoverable amount. This process will usually involve the estimation of future cash flows which are likely to be generated by the investment.

Carrying value of stocks

The directors review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. The directors use their knowledge of market conditions, historical experience and estimates of future events to assess future demand for the group's products and achievable selling prices.

Recoverability of trade debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. Director reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. The directors make allowance for doubtful debts based on an assessment of the recoverability of debtors.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

2. Judgements in applying accounting policies (continued)

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. External advice is sought where appropriate.

Leases

The directors determine whether leases entered into by the group either as a lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Management estimation is required to determine the amount of any deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3. Turnover

The whole of the turnover is attributable to the group's principal activity.

Analysis of turnover by country of destination:

	2019 £
Europe	9,299,059
United States	9,374,207
Rest of the world	9,448,759
	<u>28,122,025</u>

4. Other operating income

	2019 £
Research and development tax credit	<u>204,178</u>

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

5. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2019 £
Research & development charged as an expense	1,701,487
Depreciation of tangible fixed assets owned by the group	225,433
Depreciation of tangible fixed assets held under finance lease	69,207
Amortisation of intangible fixed assets	10,586,877
Fees payable to the group auditor for the audit of the group's annual financial statements	45,000
Exchange differences	(56,758)
Operating lease rentals	107,702
	<u>10,739,946</u>

Fees payable to the company's auditor for the audit of the company's financial statements are borne by the subsidiary undertakings.

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Company 2019 £
Wages and salaries	4,969,545	-
Social security costs	437,105	-
Pension scheme costs	308,973	-
	<u>5,715,623</u>	<u>-</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Group 2019 No.	Company 2019 No.
Administration and research and development	27	2
Manufacturing	107	-
	<u>134</u>	<u>2</u>

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

7. Directors' remuneration

	2019 £
Directors' emoluments	475,089
Pension scheme costs	43,254
	<u>518,343</u>

During the period retirement benefits were accruing to 1 director in respect of defined contribution pension schemes.

The highest paid director received remuneration of £243,371.

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil.

8. Interest payable and similar expenses

	2019 £
Bank interest payable	9,413
Loan interest payable	1,620,745
Finance leases and hire purchase contracts	13,298
	<u>1,643,456</u>

CHAPLIN TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019**

9. Taxation

	2019 £
Corporation tax	
Current tax on losses for the period	798,880
Foreign tax	
Foreign tax on losses for the period	53,160
Total current tax	<u>852,040</u>
Deferred tax	
Origination and reversal of timing differences	(1,095,271)
Total deferred tax	<u>(1,095,271)</u>
Taxation on loss on ordinary activities	<u>(243,231)</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2019 £
Loss on ordinary activities before tax	<u>(2,311,947)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(439,269)
Effects of:	
Expenses not deductible for tax purposes	872,247
Fixed asset differences	5,074
Patent box claim	(794,180)
Adjusting the closing deferred tax rate to average rate	126,644
Group relief claimed	(784,871)
Payment of group relief	784,871
Foreign tax differences	6,620
Other movements	(20,367)
Total tax charge for the period	<u>(243,231)</u>

Factors that may affect future tax charges

There were no factors that may affect future charges.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

10. Exceptional items

	2019 £
Amortisation charge in the period	10,586,877

11. Intangible assets

Group

	Brand Name £	Customer relations £	Order book £	Technology £	Goodwill £	Total £
Cost						
At 2 July 2018	-	-	-	-	-	-
Additions (See note 23)	26,367,000	15,155,900	10,341,400	4,585,900	42,866,640	99,316,840
At 30 June 2019	26,367,000	15,155,900	10,341,400	4,585,900	42,866,640	99,316,840
Amortisation						
Charge for the period	878,900	1,515,590	3,447,133	458,490	4,286,764	10,586,877
At 30 June 2019	878,900	1,515,590	3,447,133	458,490	4,286,764	10,586,877
Net book value						
At 30 June 2019	25,488,100	13,640,310	6,894,267	4,127,410	38,579,876	88,729,963

Company

The company has no intangible assets.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 2 July 2018	-	-	-	-	-
Additions	-	474,503	-	67,620	542,123
Acquisition of subsidiary	965,108	1,246,854	10,644	62,984	2,285,590
Transfers between classes	(90,124)	-	-	90,124	-
At 30 June 2019	<u>874,984</u>	<u>1,721,357</u>	<u>10,644</u>	<u>220,728</u>	<u>2,827,713</u>
Depreciation					
At 2 July 2018	-	-	-	-	-
Charge for the period	24,376	226,164	3,138	40,962	294,640
Transfers between classes	(65,807)	-	-	65,807	-
At 30 June 2019	<u>(41,431)</u>	<u>226,164</u>	<u>3,138</u>	<u>106,769</u>	<u>294,640</u>
Net book value					
At 30 June 2019	<u>916,415</u>	<u>1,495,193</u>	<u>7,506</u>	<u>113,959</u>	<u>2,533,073</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £
Plant and machinery	<u>447,414</u>

Company

The company has no tangible fixed assets.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 2 July 2018	-
Additions	75,872,263
At 30 June 2019	<u>75,872,263</u>

On 13 July 2018, Chaplin Topco Limited acquired the entire share capital of Chaplin Midco Limited, a newly incorporated company formed as an acquisition vehicle for Cooke Optics Group Limited, for total consideration of £5,192,646 including professional fees reimbursed.

On 27 September 2018, Chaplin Topco Limited invested a further £5,166,798 in Chaplin Midco Limited which has been settled via the intercompany balances.

On 17 October 2018, Chaplin Topco Limited invested a further £62,474,150 in Chaplin Midco Limited which was satisfied by the clearance of intercompany amounts due to other group members.

On 9 May 2019, Chaplin Topco Limited invested a further £3,038,669 in Chaplin Midco Limited which was satisfied by the clearance of intercompany amounts due to other group members.

Please see note 21 for the recognised amounts of identifiable assets acquired and liabilities assumed.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company at the period end:

Name	Class of shares	Holding
Chaplin Midco Limited	Ordinary	100%
Chaplin Bidco Limited *	Ordinary	100%
Cooke Optics Group Limited *	Ordinary and Preference	100%
Cooke Optics Holdings Limited *	Ordinary	100%
Cooke Optics Limited *	Ordinary	100%
Cooke Americas Inc *	Ordinary	100%
Cooke (Shanghai) Optics Technology Co., Ltd *	Ordinary	100%
Cooke Optics TV Limited *	Ordinary	100%

* This is indirectly owned by Chaplin Topco Limited.

The country of incorporation of Chaplin Midco Limited, Chaplin Bidco Limited, Cooke Optics Group Limited, Cooke Optics Holdings Limited, Cooke Optics Limited and Cooke Optics TV Limited is the United Kingdom. The registered office of Chaplin Midco Limited, Chaplin Bidco Limited, Cooke Optics Holdings Limited, Cooke Optics Limited and Cooke Optics TV Limited is the same office as Cooke Optics Holdings Limited.

The country of incorporation of Cooke Americas Inc is the United States of America. The registered office of Cooke Americas Inc is 264 Morris Avenue, Mountain Lakes, NJ 07046, United States of America.

The country of incorporation of Cooke (Shanghai) Optics Technology Co., Ltd is China. The registered office of Cooke (Shanghai) Optics Technology Co., Ltd is Rooms 501-03 & 501-04, No. 1 Building, No. 908 Xiuwen Road, Minhang District, Shanghai, China.

14. Stocks

	Group 2019 £	Company 2019 £
Raw materials and consumables	6,147,249	-
Work in progress	1,996,209	-
Finished goods and goods for resale	2,406,068	-
	<u>10,549,526</u>	<u>-</u>

Stock recognised in cost of sales during the period as an expense was £8,241,953 for the period.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

15. Debtors

	Group 2019 £	Company 2019 £
Trade debtors	880,675	-
Amounts owed by group undertakings	-	377,168
Other debtors	927,250	-
Prepayments and accrued income	149,036	-
	<u>1,956,961</u>	<u>377,168</u>

16. Creditors: Amounts falling due within one year

	Group 2019 £	Company 2019 £
Trade creditors	3,578,926	-
Amounts owed to group undertakings	784,871	5,543,948
Other taxation and social security	94,941	1,298
Obligations under finance lease and hire purchase contracts	106,315	-
Other creditors	33,614	-
Accruals and deferred income	1,630,263	-
	<u>6,228,930</u>	<u>5,545,246</u>

Net obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

17. Creditors: Amounts falling due after more than one year

	Group 2019 £	Company 2019 £
Other loans (See note 27)	29,546,408	-
Net obligations under finance leases and hire purchase contracts	110,912	-
	<u>29,657,320</u>	<u>-</u>

Other loans carry an interest rate of 4% plus LIBOR and are due for repayment on 31 August 2025. Other loans are secured over the assets of the group.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

18. Loans

	Group 2019 £	Company 2019 £
Amounts falling due after more than 5 years		
Other loans (See note 27)	29,546,408	-

19. Deferred taxation

Group

	2019 £
At beginning of period	-
Charged to the Consolidated Statement of Comprehensive Income	(1,095,271)
Acquired on business combinations	78,728
Arising on business combinations	9,596,534
At end of period	8,579,991

	Group 2019 £
Accelerated capital allowances	91,783
Short term timing differences	(37,307)
Deferred tax on intangible fixed assets	8,525,515
	8,579,991

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

20. Share capital

	2019 £
Allotted, called up and fully paid	
751,126 A Ordinary shares of £0.0010 each	751
66,515 B Ordinary shares of £0.0001 each	7
27,359 C Ordinary shares of £0.0001 each	3
54,500 A Growth shares of £0.0001 each	5
62,000 B Growth shares of £0.0001 each	6
6,000 C Growth shares of £0.0200 each	120
	<hr/>
	892
	<hr/>

On incorporation the company issued 1 Ordinary share with a nominal value of £1 at par.

On 13 July 2018, 1 Ordinary share was sub-divided into 1,000 shares of £0.001 and subsequently redesignated as A Ordinary shares.

On 13 July 2018, the company issued 750,126 A Ordinary shares with a nominal value of £0.001, 66,515 B Ordinary shares with a nominal value of £0.0001, 27,359 C Ordinary shares with a nominal value of £0.0001, 54,500 A Growth shares with a nominal value of £0.0001, 62,000 B Growth shares with a nominal value of £0.0001 and 6,000 C Growth shares with a nominal value of £0.02. Total consideration payable was £70,705,465.

A Ordinary, B Ordinary and C Ordinary shares are entitled to one vote per share. A Growth shares, B Growth shares and C Growth shares are not entitled to a vote.

A Ordinary shares, B Ordinary shares, A Growth Shares and C Growth shares are entitled to a dividend and are ranked pari passu for this condition. C Ordinary shares and B Growth shares are not entitled to a dividend.

On a return of capital on liquidation or otherwise, the distribution waterfall is be as follows:

- 84.5% of the proceeds to the A Ordinary shares, B Ordinary shares and C Ordinary shares up to a predetermined value
- 15.5% to the holders of C Ordinary shares and B Growth shares up to a secondary predetermined value
- If any balance remains, to the holders of all shares in proportion to the number of shares held.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

21. Reserves

Share premium account

The share premium account includes any premiums received on the issue of share capital above its nominal value. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Capital contribution reserve

The capital contribution reserve account represents a non-repayable contribution from a group company.

Foreign exchange reserve

The foreign exchange reserve includes any foreign exchange gains and losses recognised on consolidation of a foreign subsidiary.

Profit and loss account

The profit and loss account includes all current periods retained profit and losses, less dividends paid.

22. Contingent liabilities

The group is a party to a group wide guarantee given to the group's lenders. At 30 June 2019, the maximum liability stood at £30,000,000.

The company is party to a group wide VAT and duty deferment guarantee for £205,025.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

23. Acquisitions

On 13 July 2018 the company acquired the entire voting share capital of Cooke Optics Group Limited. An analysis of the purchase price is as follows:

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Fixed assets			
Tangible	2,285,590	-	2,285,590
Intangible	15,344,761	41,105,439	56,450,200
	<u>17,630,351</u>	<u>41,105,439</u>	<u>58,735,790</u>
Current assets			
Stocks	9,004,792	-	9,004,792
Debtors	3,120,784	-	3,120,784
Cash at bank and in hand	7,472,721	-	7,472,721
Total assets	<u>37,228,648</u>	<u>41,105,439</u>	<u>78,334,087</u>
Creditors			
Due within one year	(9,402,523)	-	(9,402,523)
Deferred tax and creditors due in more than one year	(20,068,037)	(9,596,534)	(29,664,571)
Total identifiable net assets	<u>7,758,088</u>	<u>31,508,905</u>	<u>39,266,993</u>
Goodwill			42,866,640
Total purchase consideration			<u>82,133,633</u>

The fair value adjustment of £41,105,439 was established by a third party professional valuation of the intangible assets acquired as at the date of acquisition. The deferred tax fair value adjustment relates to the amount due upon recognition of the fair value adjustment of intangible assets at acquisition.

Analysis of consideration

	£
Cash	80,549,033
Equity instruments	5,166,796
Debt instruments	3,001,349
Repayment of existing preference shares	(7,729,045)
Directly attributable costs	1,145,500
Total purchase consideration	<u>82,133,633</u>

Cash outflow on acquisition

£

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019

23. Acquisitions (continued)

Purchase consideration settled in cash, as above	80,549,033
Directly attributable costs	1,145,500
	<u>81,694,533</u>
Less: Repayment of existing loans	(7,729,045)
Less: Cash acquired on acquisition of subsidiary	(7,472,721)
Net cash outflow on acquisition	<u><u>66,492,767</u></u>

The results of Cooke Optics Group Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	<u><u>28,122,025</u></u>
Profit for the period	<u><u>8,515,404</u></u>

24. Capital commitments

At 30 June 2019 the group and company had capital commitments as follows:

	Group 2019 £	Company 2019 £
Contracted for but not provided in these financial statements	<u><u>640,321</u></u>	<u><u>-</u></u>

25. Pension commitments

The group operates a defined contribution plan for its employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and is set out in note 5.

The amount owing at the period end in respect of such contributions amounted to £114,513 and is included in creditors.

CHAPLIN TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

26. Commitments under operating leases

At 30 June 2019 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Company 2019 £
Not later than 1 year	88,751	-
Later than 1 year and not later than 5 years	173,887	-
Later than 5 years	125,077	-
	<u>387,715</u>	<u>-</u>

27. Related party transactions

On 31 August 2018, a loan of £30,000,000 was made to Chaplin Bidco Limited by a party also controlled by Caledonia Investments plc (see note 28 below). The loan balance carries an interest rate of 4% plus LIBOR and £1,417,949 was charged in the period. The loan is due for repayment on 31 August 2025 and is secured over the assets of the group. At the period end £30,000,000, was outstanding and included in other loans due in greater than one year (net of the costs of raising the debt).

During the period, the group incurred administrative charges from a company under common control of £121,213. At the period end, £Nil was outstanding.

During the period, emoluments paid to key management personnel, including directors, total £695,029.

Rental charges of £50,615 were paid to a director of the group.

During the period, the company utilised tax losses from non-wholly owned group entities under common control of £784,871. At the year end a balance of £784,871 was due and included in creditors due within one year.

28. Controlling party

The ultimate controlling party is Caledonia Investments plc, the ultimate parent company. Caledonia Investments plc indirectly holds 78.03% of the shares in Chaplin Topco Limited. Caledonia Investments plc is registered in England and Wales.

The smallest and largest group for which financial statements are prepared is Chaplin Topco Limited and Caledonia Investments plc respectively. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.