

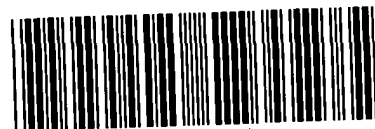
# **IEA Coal Research Limited**

Directors' Report and Financial Statements

Year Ended 31 March 2019

Company Number 01233764

TUESDAY



\*A8I3GMBC\*

A11

12/11/2019

#152

COMPANIES HOUSE

# IEA Coal Research Limited

## Company Information

---

<b>Directors</b>	J B Lott OBE Dr A J Minchener OBE Dr M H Davies
<b>Company secretary</b>	D M B Adams
<b>Registered number</b>	01233764
<b>Registered office</b>	Apsley House Third Floor 176 Upper Richmond Road London SW15 2SH
<b>Auditors</b>	BDO LLP R+ 2 Blagrove Street Reading RG1 1AZ

# IEA Coal Research Limited

## Contents

---

	Page
<b>Directors' Report</b>	1 - 3
<b>Independent Auditors' Report</b>	4 - 6
<b>Statement of Income and Retained Earnings</b>	7
<b>Balance Sheet</b>	8
<b>Statement of Cash Flows</b>	9
<b>Notes to the Financial Statements</b>	10 - 15

# **IEA Coal Research Limited**

## **Directors' Report For the Year Ended 31 March 2019**

---

The Directors present their report and the financial statements for the year ended 31 March 2019.

### **Principal activities and business review**

The principal activity of IEA Coal Research Limited during the year continued to be that of the Operating Agent for the IEA Clean Coal Centre ("IEACCC"). The IEA Clean Coal Centre is part of a network of autonomous collaborative partnerships focused on a wide range of energy technologies known as Technology Collaboration Programmes (TCPs). These are organised under the auspices of the International Energy Agency, but the TCPs are functionally and legally autonomous. The IEACCC is funded by national governments (contracting parties) and by corporate industrial organisations (sponsors). It is dedicated to providing independent information and analysis on how coal can become a cleaner source of energy, compatible with the UN Sustainable Development Goals. Its operating framework is designed to identify and publicise the best practice in every aspect of coal production, transport, processing and utilisation chain with the rationale for balancing security of supply, affordability and environmental issues, thereby continuing any unwanted impacts to ensure wellbeing of societies worldwide. The service is governed by an Executive Committee, comprising the members of the IEA Clean Coal Centre Implementing Agreement.

The company exists solely to operate the IEA Clean Coal Centre under the terms of the Implementing Agreement.

The primary members of the IEA Clean Coal Centre are government agencies of countries interested in Clean Coal technology. Individual government agencies may have financial constraints imposed on them and sometimes replace direct subscription to IEACCC with a consortium of commercial sponsors, in addition to individual sponsor membership by commercial organisations.

### **Going concern**

No material uncertainty that may cast significant doubt about the ability of the company to continue as a going concern has been identified by the directors.

### **Review of the business**

The IEACCC continues to research and disseminate information on subjects relevant to Clean Coal Technology. The subjects are decided by the members and are published electronically.

The company may only charge to the Clean Coal Centre the exact costs of the operation and therefore makes neither a profit or loss.

The IEACCC's operating mandate was renewed for a further five years from 1 December 2018 by the International Energy Agency Committee on Energy Research and Technology.

### **Financial risk management**

The company is exposed in its operations to the risk of changes in foreign exchange rates. The USA pays its subscription in US dollars which are converted to sterling based on the exchange rate ruling at the date of transaction. Similarly, Australia pays its subscription in Australian dollars.

The company makes sales on credit, and manages the risks arising through its credit control procedures.

The policy of the Implementing Agreement is to obtain funding in advance based on budgeted requirements.

Funds in excess of immediate requirements are deposited with the company's bankers.

### **Qualifying third party indemnity provisions**

The company maintains an insurance policy on behalf of the directors and company secretary against liability arising from negligence, breach of duty and breach of trust in relation to the company.

# **IEA Coal Research Limited**

## **Directors' Report (continued) For the Year Ended 31 March 2019**

---

### **Directors**

The Directors who served during the year were:

J B Lott OBE  
Dr A J Minchener OBE  
Dr M H Davies

### **Future developments**

The IEACCC organisation has completed a strategic review in preparation for the next five years' operation as covered by the renewal of its operating mandate from the International Energy Agency in November 2018. The scope of work is being aligned with the Sustainability Goals of the United Nations, an approach that has been very well received by IEA Working Party on Fossil Fuels. The need for further operational flexibility will be maintained, with further use of external consultants. Funding will continue to comprise primarily subscriptions from members and contracts from external organisations, with efforts increasing to lock in members to guaranteed fees for several years to ensure stability. In addition, efforts will be maintained to provide the additional levels of funding from external sources.

### **Renewal of mandate**

The IEACCC operates under mandate from the International Energy Agency and this is renewed every five years. The next renewal will be November 2023.

### **Directors' responsibilities statement**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have 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 of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# IEA Coal Research Limited

## Directors' Report (continued) For the Year Ended 31 March 2019

---

### Disclosure of information to auditors

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

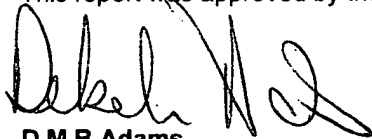
- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditors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

### Small companies Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The company has taken exemption from the requirement to prepare a Strategic Report as it is only prevented from applying small company exemptions in preparing its accounts by virtue of it being part of an ineligible group.

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



**D M B Adams**  
Secretary

Date: 23 Oct 2019

# **IEA Coal Research Limited**

## **Independent Auditors' Report to the Shareholders of IEA Coal Research Limited**

---

### **Opinion**

We have audited the financial statements of IEA Coal Research Limited (the 'company') for the year ended 31 March 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows 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 company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 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.

### **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 Auditors' 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

# **IEA Coal Research Limited**

## **Independent Auditors' Report to the Shareholders of IEA Coal Research Limited (continued)**

---

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 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.



# IEA Coal Research Limited

## Independent Auditors' Report to the Shareholders of IEA Coal Research Limited (continued)

---

### 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

BDO LLP

Daniel Henwood (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory Auditor

Reading, UK

Date: 04/11/2019.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# IEA Coal Research Limited

## Statement of Income and Retained Earnings For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	1,468,364	1,575,156
Administrative expenses		(1,491,857)	(1,595,220)
<b>Operating loss</b>	5	<b>(23,493)</b>	<b>(20,064)</b>
Interest receivable and similar income		23,493	20,064
<b>Profit before tax</b>		<b>-</b>	<b>-</b>
<b>Profit after tax</b>		<b>-</b>	<b>-</b>
Reserves B/fwd		-	-
Profit for the year		-	-
<b>Reserves C/fwd</b>		<b>-</b>	<b>-</b>

### Retained earnings at the end of the year

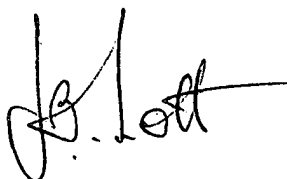
The notes on pages 10 to 15 form part of these financial statements.

**IEA Coal Research Limited**  
Registered number: 01233764

**Balance Sheet**  
**As at 31 March 2019**

	Note	2019 £	2018 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	161,153	143,159
Cash at bank and in hand		3,440,467	3,532,001
		<u>3,601,620</u>	<u>3,675,160</u>
Creditors: amounts falling due within one year	10	(3,558,379)	(3,675,158)
<b>Net current assets</b>		<u>43,241</u>	<u>2</u>
<b>Total assets less current liabilities</b>		<u>43,241</u>	<u>2</u>
Creditors: amounts falling due after more than one year	11	(43,239)	-
<b>Net assets</b>		<u><u>2</u></u>	<u><u>2</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
		<u>2</u>	<u>2</u>
		<u><u>2</u></u>	<u><u>2</u></u>

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



**J B Lott OBE**  
Director



**Dr A J Minchener OBE**  
Director

Date: 23 October 2019

The notes on pages 10 to 15 form part of these financial statements.

# IEA Coal Research Limited

## Statement of Cash Flows For the Year Ended 31 March 2019

	2019 £	2018 £
Profit for the financial year	-	-
<b>Adjustments for:</b>		
Interest receivable	(23,493)	(20,064)
(Increase)/decrease in debtors	(17,994)	102,719
Decrease in creditors	(73,540)	(161,154)
<b>Net cash generated from operating activities</b>	<b>(115,027)</b>	<b>(78,499)</b>
<b>Cash flows from investing activities</b>		
Interest received	23,493	20,064
<b>Net decrease in cash and cash equivalents</b>	<b>(91,534)</b>	<b>(58,435)</b>
Cash and cash equivalents at beginning of year	3,532,001	3,590,436
<b>Cash and cash equivalents at the end of year</b>	<b>3,440,467</b>	<b>3,532,001</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,440,467	3,532,001
	<b>3,440,467</b>	<b>3,532,001</b>

The notes on pages 10 to 15 form part of these financial statements.

# IEA Coal Research Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

---

### 1. Company information

IEA Coal Research Limited is a private company limited by shares, incorporated and registered in England and Wales. The registered office is as follows:

Apsley House  
Third Floor  
176 Upper Richmond Road  
London  
SW15 2SH

The principal activity of the company during the year continued to be that of the Operating Agent for the IEA Clean Coal Centre ("IEACCC").

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in the currency of the primary economic environment in which the company operates (its function currency), which is Sterling and rounded to the nearest £1.

#### 2.2 Going concern

No material uncertainty that may cast significant doubt about the ability of the company to continue as a going concern has been identified by the directors.

#### 2.3 Turnover

Turnover represents total recharges to the IEACCC during the year, excluding VAT. Income from member and sponsor contributions and the sale of services is collected by the company on behalf of IEACCC and are transferred to IEACCC net of costs incurred. The balance held on behalf of IEACCC is included in creditors.

#### 2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

# IEA Coal Research Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

---

### 2. Accounting policies (continued)

#### 2.5 Trade debtors

Trade debtors are amounts due from customers for services provided in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

#### 2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

#### 2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

#### 2.8 Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as creditors falling due after one year.

Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

#### 2.9 Foreign currency translation

##### *Functional and presentation currency*

The company's functional and presentational currency is GBP.

##### *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.

#### 2.10 Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to profit or loss.

#### 2.11 Interest income

Interest income is recognised in profit and loss using the effective interest method.

# IEA Coal Research Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

---

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and assumptions concerning the amount and recognition of assets and liabilities on the balance sheet, income and expenses and the disclosure of contingent liabilities are necessary when generating the financial statements.

For the future-based assumptions and estimates at the balance sheet date management are required to make realistic future assumptions which are industry specific. Management consider the following to be significant judgements and estimates:

#### Doubtful debts

Trade debtors are recognised less any allowances for doubtful debts. The provision for doubtful debts is based on management judgement of the likelihood of receiving outstanding debts.

On the date of the generation of the financial statements, there are no indications to imply that major changes to the fundamental assumptions and estimates are necessary.

### 4. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 5. Operating loss

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

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	11,750	10,500
- Accountancy services	20,800	19,963
Exchange differences	(42,612)	13,710
Other operating lease costs	48,000	48,000

# IEA Coal Research Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 6. Employees

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

	2019 £	2018 £
Wages and salaries	773,503	720,589
Social security costs	91,530	90,497
Cost of defined contribution scheme	106,685	101,725
	<u>971,718</u>	<u>912,811</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2019 No.	2018 No.
Administrative	15	14
Management	2	2
	<u>17</u>	<u>16</u>

### 7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	126,574	126,444
Company contributions to defined contribution pension schemes	17,877	17,915
	<u>144,451</u>	<u>144,359</u>

During the year retirement benefits were accruing to 1 Director (2018 -1) in respect of defined contribution pension schemes.

### 8. Taxation

The company has estimated losses of £8,100 (2018: £6,500) available for carried forward against future trading profits.

No provision has been made for taxation as any liability arising will be covered by retained capital allowances. Capital allowances carried forward at the balance sheet date were approximately £7,400 (2018: £9,000).



# IEA Coal Research Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 9. Debtors

	2019 £	2018 £
Trade debtors	29,016	58,984
Amounts owed by group undertakings	-	6,105
Other debtors	22,874	24,632
Prepayments and accrued income	109,263	53,438
	<u>161,153</u>	<u>143,159</u>

### 10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	7,730	22,232
Amounts owed to group undertakings	3,210	-
Amounts owed to IEA Clean Coal Centre	3,275,631	3,227,586
Taxation and social security	25,906	28,219
Other creditors	86,405	86,405
Accruals and deferred income	159,497	310,716
	<u>3,558,379</u>	<u>3,675,158</u>

Amounts owed to IEA Clean Coal Centre represents monies held on behalf of IEACCC, of which IEA Research Limited is the operating agent.

### 11. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Deferred income	43,239	-
	<u>43,239</u>	<u>-</u>

### 12. Share capital

	2019 £	2018 £
<b>Authorised, allotted, called up and fully paid</b>		
2 (2018 -2) Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

Each ordinary share carries the right to one vote.

# IEA Coal Research Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 13. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £106,685 (2018: £101,725). At the year end amounts outstanding in respect of the scheme were £nil (2018: £nil).

### 14. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	48,000	48,000
Later than 1 year and not later than 5 years	36,000	84,000
<b>Total</b>	<b>84,000</b>	<b>132,000</b>

### 15. Related party transactions

The company made charges to IEA Clean Coal Centre of £1,266,740 (2018: £1,354,255).

During the year the company recharged expenses to IEA Environmental Projects Limited totalling £67,780 (2018: £76,049).

The daughter of Dr A J Minchener, invoiced the company £nil (2018: £19,373) in respect of web design fees. There was no balance outstanding at the year end.

### 16. Controlling party

The company is a wholly owned subsidiary of IEA Environmental Projects Limited a company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is Rio Tinto Plc, a company registered in England and Wales, for both the current and prior year. The financial statements for Rio Tinto Plc, can be obtained from the secretary, Rio Tinto Plc, 2 Eastbourne Terrace, London, W2 6LG.