

**WORLD COAL INSTITUTE**

**FINANCIAL STATEMENTS  
for the year ended 30 September 2000**

**REGISTERED NO: 1947623**



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## WORLD COAL INSTITUTE

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### Report of the Directors for the year ended 30 September 2000

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1. The Directors present herewith their Report and the audited accounts of the Institute for the year ended 30 September 2000.

#### Principal activities

2. The Institute is a non-governmental, non-profit making industry association of worldwide coal producing and coal consuming enterprises. Its key objectives are to promote and extend the use of coal and provide a forum for the exchange of information and discussion of issues affecting the global coal industry. Through contacts with official bodies, consumers and other interested parties, the WCI aims to improve the current market for coal and strengthen coal's contribution to safeguarding the future availability of world energy supplies.

#### Liability of members

3. The World Coal Institute is a company limited by guarantee. In the event the company is wound up as a result of insolvency, each member undertakes to contribute to the assets of the Institute such amount as may be required, not exceeding £1.

#### Review of activities and future developments

4. In the 2000 calendar year the World Coal Institute held two full meetings (in the UK and Belgium) of all members. Worldwide developments affecting the coal industry, and the general direction of the work of the Institute, were discussed at these meetings.

The World Coal Institute has Consultative Status Category II to the United Nations Economic and Social Council, and Consultative Status to the UN Industrial Development Organisation. The Institute participates in the ongoing negotiations under the United Nations Framework Convention on Climate Change – these environmental negotiations continue to be a high priority for the Institute.

The Institute co-hosted and participated in the Coaltrans India Conference in New Delhi in February and the Coaltrans Asia Conference in Bali, Indonesia, in June.

The World Coal Institute continued to periodically update its flagship publication '*Coal – Power for Progress*', the Fourth Edition of which was released in March. The Institute also continued to update and distribute its educational 'facts cards' covering a wide range of coal statistics and associated topics. The Institute published four editions of its newsletter, *Ecoal*.

The World Coal Institute completed work on the 'Good News from Coal' project with the first ten stories plus summary sheet to be published in November 2000.

The Institute has continued to update and expand its website ([www.wci-coal.com](http://www.wci-coal.com)) throughout the year. This medium has proved to be an increasingly effective way of providing access to information for members, industry, academia, students and the public.

## WORLD COAL INSTITUTE

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### Membership

5. Membership is open to all coal producing and coal consuming enterprises. At 30 September 2000 membership stood at 22 companies and six Honorary Members:

Anglo Coal  
 Arch Coal, Inc  
 The Broken Hill Proprietary Company Ltd (BHP Ltd)  
 Billiton Coal SA Ltd  
 PT Tambang Batubara Bukit Asam (Persero) (PT Bukit Asam)  
 Celtic Energy Ltd  
 Coal India Ltd  
 CONSOL Energy Inc  
 Drummond Ltd  
 Duiker Mining Ltd  
 Ensham Resources Pty Ltd  
 Glencore International AG  
 Inter-American Coal NV  
 Luscar Ltd  
 Mitsubishi Development Pty Ltd  
 QCT Resources Ltd  
 RAG Coal International AG  
 Rio Tinto Limited  
 RJB Mining plc  
 Sumitomo Coal Mining Company Ltd  
 Swabara Group  
 TotalFinaElf SA

**Honorary Members:** Dr K-H Bund  
 Mr J C Farrell  
 Mr E Morgan Massey  
 Mr J H Morrish  
 Mr A A Sealey  
 Mr J M Slater

The following members resigned during the year 1 October 1999 to 30 September 2000:

Fording Coal Ltd – effective 1 March 2000  
 Carbocol (Carbones de Colombia SA) – effective 1 April 2000  
 PDVSA Carbozulia (Carbones del Zulia) – effective 1 July 2000  
 Shell Coal Pty Ltd – effective 27 July 2000  
 Arch Coal, Inc – effective 30 September 2000  
 Inter-American Coal NV – effective 30 September 2000

## WORLD COAL INSTITUTE

## Directors

6. The Articles of Association provide for each member of the Institute to appoint a director and alternate director if the member wishes to do so. The Board at 30 September 2000 comprised:

<u>NOMINATING MEMBER COMPANY</u>	<u>DIRECTOR</u>	<u>ALTERNATE</u>
ANGLO COAL	J W Campbell	A E Redman
ARCH COAL, INC	-	-
BROKEN HILL PTY CO LTD	M C Oppenheimer	R H Willims
BILLITON COAL SA LTD	D J K Murray	S J Matthews
PT TAMBANG BATUBARA BUKIT ASAM	R A Sunardi	T Isnutomo
CELTIC ENERGY LTD	D Hart	M Thomas
COAL INDIA LTD	P K Sengupta	S K Varma
CONSOL ENERGY INC	J B Harvey	-
DRUMMOND LTD	-	-
DUIKER MINING LTD	E H J Stoyell	-
ENSHAM RESOURCES PTY LTD	K J Foots	-
GLENCORE INTERNATIONAL AG	I Glasenberg	T Peterson
INTER-AMERICAN COAL NV	M L J van den Berg	-
LUSCAR LTD	G D Ulrich	-
MITSUBISHI DEVELOPMENT PTY LTD	K Uehara	H Nakahara
QCT RESOURCES LTD	C D Rawlings	C C Hopkins
RAG COAL INTERNATIONAL AG	J W Stadelhofer	J C D Oesterlink
RIO TINTO LIMITED	B F Horwood	A M Lloyd
RJB MINING PLC	R J Budge	-
SUMITOMO COAL MINING CO LTD	K Kobayashi	Y Futaki
SWABARA GROUP	G L Robertson	A B Grant
TOTALFINAELF SA	J R E Curt	D De Bourgues
WORLD COAL INSTITUTE	R W Knapp (Chief Executive)	
	J M Slater (Chairman)	
HONORARY MEMBERS:	K-H Bund	
	E M Massey	
	J H Morrish	
	J M Slater	

The following resigned or otherwise ceased to be members of the Board during the year 1 October 1999 to 30 September 2000:

M Maekita (effective 1 January 2000)  
 J G Gardiner (effective 1 March 2000)  
 D P Lane (effective 1 March 2000)  
 N R Amaya (effective 1 April 2000)  
 R Benning (effective 1 April 2000)  
 M M Reina (effective 1 April 2000)  
 E Rorke (effective 5 April 2000)  
 R W Kirkby (effective 19 May 2000)  
 I A Fuenmayor (effective 1 July 2000)  
 R C Scharp (effective 27 July 2000)  
 L R Flint (effective 27 July 2000)  
 H Isobe (effective 15 August 2000)  
 M L J van den Berg (effective 30 September 2000)

# WORLD COAL INSTITUTE

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The following changes to the Board have occurred in the period from 1 October 2000 to the date of this Report:

<u>NOMINATING MEMBER COMPANY</u>	<u>DIRECTOR</u>	<u>ALTERNATE DIRECTOR</u>	<u>EFFECTIVE DATE**</u>
(a) Appointments:-	-	-	-
(b) Resignations:-			
QCT Resources Ltd	C D Rawlings	C C Hopkins	6 November 2000

**\*\* Date of appointment or resignation/advice of resignation**

## COMPANY NAME CHANGES:

TotalFinaElf SA from TotalFina SA	5 April 2000
Billiton Coal SA Limited from Ingwe Coal Corporation Limited	4 July 2000
BHP Limited from The Broken Hill Proprietary Company Limited	30 October 2000

## Auditors

- Ernst & Young were appointed auditors for these accounts by resolution at the Annual General Meeting on 5 April 2000. A resolution on the appointment of auditors for the financial year ending 30 September 2001 will be put to the members at the Annual General Meeting on 4 April 2001.

BY ORDER OF THE BOARD



KENNETH LAVANCHY  
Company Secretary

Date: 4 April 2001

WORLD COAL INSTITUTE

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Statement of Directors' Responsibilities

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Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

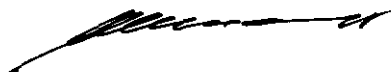
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

The Directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts, and that applicable accounting standards have been followed.

The Directors also confirm that the financial statements have been prepared on a going concern basis.

BY ORDER OF THE BOARD



R W KNAPP  
Chief Executive

Date: 4 April 2001

**AUDITORS' REPORT**

Report of the auditors to the members of  
WORLD COAL INSTITUTE

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We have audited the financial statements on pages 7 to 11, which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 5, the Company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

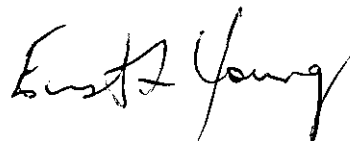
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 September 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG  
Registered Auditor

LONDON

Date: 4 April 2001



Income and expenditure account for the year ended 30 September 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£	£
<b>INCOME</b>			
Subscriptions	2	421,922	289,265
Special contributions to promotion & publicity	2	-	156,834
Interest income		12,865	11,779
Other income		22,060	20,718
Total income		456,847	478,596
<b>EXPENDITURE</b>			
Accommodation		39,588	37,803
Borough Business Rates		10,321	9,309
Office Equipment & costs	6	35,458	52,544
Staff costs	4	229,261	278,359
Travel & subsistence		7,408	10,473
Entertainment		3,081	843
Cost of meetings		8,518	5,339
Legal & professional costs		1,359	1,990
Accounting & tax fees		4,267	4,034
Audit fee		3,000	2,700
Total Operating Expense		342,261	403,394
Promotion & publicity expenses		59,993	33,844
Global Climate expenses		54,311	42,271
Total Expenses		456,565	479,509
Surplus/(deficit) on ordinary activities before taxation	3	282	(913)
Taxation	5	(282)	913
Result/surplus for the year after taxation		0	0

All amounts above relate to continuing operations.

The Company has no recognised gains and losses other than the surplus/loss above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 11 form part of these accounts.

Balance sheet – at 30 September 2000

	<u>Note</u>	<u>2000</u>	<u>1999</u>
		£	£
<b>CURRENT ASSETS</b>			
Debtors – amounts falling due within one year	7	157,217	278,433
Cash at bank and in hand		116,442	198,843
Deposits		300,000	50,000
		<u>573,659</u>	<u>527,276</u>
Creditors: amounts falling due within one year	8	(573,659)	(527,276)
<b>CURRENT ASSETS/(LIABILITIES)</b>		<u>0</u>	<u>0</u>
<b>RESERVES</b>			
Income and expenditure account		<u>0</u>	<u>0</u>

Approved by the Board of Directors on 4 April 2001  
and signed on its behalf by:



R W KNAPP  
Director

The notes on pages 9 to 11 form part of these accounts.

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Notes to the accounts – for the year ended 30 September 2000

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(1) Principal accounting policies

(a) Accounting convention

The accounts are prepared under the historical cost convention and are in accordance with applicable UK accounting standards.

(b) Subscriptions

Subscription income, which is stated net of value added tax, is recognised in the period to which it relates. Any excess of the current period subscription income over expenses in the same period is transferred into account "Contributions: (Promotion) Article 17 in advance" to cover the expenses arising in future periods. Subscriptions are invoiced to the members in £ sterling.

(c) Fixed assets

Assets are expensed to the income and expenditure account in the year of purchase.

(d) Taxation

The charge for taxation is based on the result for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will eventuate.

(e) Operating Leases

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

- (f) The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

(2) Subscriptions and special contributions

Income from members' subscriptions and special contributions for the year (excluding VAT) was as follows:

	<u>2000</u>	<u>1999</u>
	£	£
Subscriptions receivable	421,922	289,265
Contributions receivable (including transfers from deferred income brought forward from previous years)	-	156,834

Notes to the accounts – for the year ended 30 September 2000

(3) Surplus/(deficit) on ordinary activities before taxation

	<u>2000</u>	<u>1999</u>
	£	£
Surplus/(deficit) on ordinary activities before taxation is stated after charging:		
Hire of office equipment – operating leases	4,746	2,552
Annual office rent	22,000	22,000

(4) Staff costs

	<u>2000</u>	<u>1999</u>
	£	£
Wages & Salaries	179,342	221,255
Social security costs	19,997	22,440
	<u>199,339</u>	<u>243,695</u>

Other staff costs, recruitment and relocation	29,922	34,664
Staff costs – operating expenses	<u>229,261</u>	<u>278,359</u>

The average number of staff during the year was 3 (1999: 4.5)

Directors' Emoluments (including pension contributions)

	£	£
Emoluments of the Chief Executive		
R W Knapp	133,826	128,235

With the exception of the emoluments of the Chief Executive who, in accordance with the Articles of Association, is Ex Officio a Director, none of the Board of Directors received any remuneration for their services to the company (1999: £NIL). An amount of £5,678 for expenses incurred by the Chairman, John M Slater, on World Coal Institute activities was paid (1999: £5,117.30).

(5) <u>Tax on surplus on ordinary activities</u>	<u>2000</u>	<u>1999</u>
	£	£
UK Corporation tax at 20% (1999 20.5%)	-	(898)
Adjustment in respect of previous years	<u>282</u>	<u>(15)</u>
	<u>282</u>	<u>(913)</u>

(6) <u>Fixed assets</u>	<u>2000</u>	<u>1999</u>
	£	£
Assets expensed in the year	-	2,183
(included in office equipment & costs)	<u>-</u>	<u>2,183</u>

(Limited by guarantee)

## Notes to the accounts – 30 September 2000

(7) Debtors – amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
Subscriptions & Contributions		
unpaid at 30 September	146,435	271,741
Prepayments and accrued income	10,057	5,794
Corporation Tax	-	898
Value Added Tax	725	-
	<u>157,217</u>	<u>278,433</u>

(8) Creditors – amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
VAT payable	-	3,906
Sundry Creditors and Accruals	21,253	22,960
Subscriptions: 1999/2000 charged in advance	453,006	320,301
Contributions: (Promotion) Article 17 in advance	78,233	25,791
Contributions: 1999/2000 (Promotion) charged in advance	-	154,318
Deferred Income: Life Cycle Analysis Project	21,167	-
	<u>573,659</u>	<u>527,276</u>

(9) Lease commitments

The company's commitments for annual rental payments under operating leases payable during the year to 30 September 2000 are as follows:

	<u>Land and Buildings</u>	<u>Other Operating Leases</u>
Leases expiring between two and five years	£22,000*	£2,552

\*Lease for Land and Buildings was renegotiated in December 2000; annual rental payments now total £15,000 under a new lease of premises at Cambridge House, with the lease to expire in December 2005.

(10) Other commitments

The Institute also has the following future contractual commitments:

- R W Knapp: Relocation payment at completion of contract of employment is payable at the rate of £7,000 per year of service limited to a maximum payment of £25,000. Obligation at 30 September 2000 was £25,000 ie the maximum payment allowable.
- Workshops: To meet the Institute's share of costs of joint World Coal Institute/Australian Department of Industry Science and Resources (DISR) events up to a maximum amount of £4,000. This commitment reported in the Accounts to September 1999 was discharged in November 2000 by way of WCI travel/accommodation and publication costs associated with the 3<sup>rd</sup> APEC Coal TILF Workshop held in Vietnam, 7-8 November 2000.
- Staff leave: There is a possible contingent liability associated with payments for leave not taken by staff during their term of employment in accordance with contractual entitlements. At 31 December 2000, these commitments had a potential cost of £33,198 (R W Knapp £25,290; C I E Griffiths £7,908) (1999: £20,662).

(11) Liability of members

The Institute is a company limited by guarantee. In the event that the company is wound up as a result of insolvency, each member undertakes to contribute to the assets of the Institute such amount as may be required, not exceeding £1.