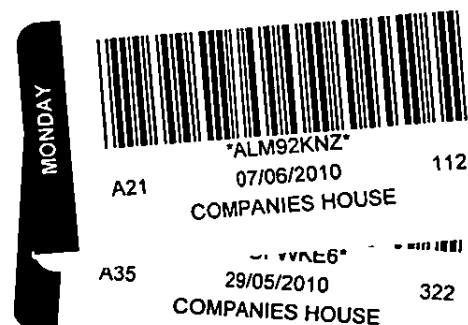




**WORLD COAL INSTITUTE**

**FINANCIAL STATEMENTS  
for the year ended 30 September 2009**



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## Report of the Directors

- 1 The Directors present herewith their Report and the audited accounts of the Institute for the year ended 30 September 2009

### Principal activities

- 2 The Institute is a non-governmental, non-profit making worldwide industry association of coal enterprises. Its key objectives are to promote coal as a strategic resource, to promote the role of clean coal technologies in improving the environmental performance of coal, and to 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 strengthen the understanding of coal's contribution to energy security, social & economic development, and to demonstrate its improving environmental performance

### 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.

### Management of Risk

- 4 The directors manage the liquidity of the Institute in order to meet its obligations as they become due. The Institute's exposure to credit risk is to the extent of cash and receivables as reflected in the balance sheet. Management monitor the recoverability of debtors and cash balances are deposited only with financial institutions which the directors consider to be of suitable credit rating

### Review of activities and future developments

5. There was a surplus after tax of £48,234 for the year ended 30 September 2009 (2008. deficit of £131,511), which when added to the cumulative deficit brought forward of £77,004 results in a cumulative deficit of £28,770 at 30 September 2009. It is the intention of the Directors' to eliminate the deficit in reserves during 2010

In the 2009 calendar year the World Coal Institute held two full meetings of members (in Washington D C., United States and Brussels, Belgium). 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 continues to follow the ongoing negotiations under the UN Framework Convention on Climate Change, and attended the 15<sup>th</sup> Conference of the Parties/5<sup>th</sup> Meeting of the Parties in Copenhagen during December 2009.

The Institute participated in many other international energy-related meetings and conferences.

The World Coal Institute focused on electronic communications in the financial year 2008-09. WCI redeveloped its website and launched the new site in June 2009 and continues to update material on its website on a regular basis. Material available electronically includes: an interactive map of CCS projects, a number of fact cards covering coal statistics and associated topics; and case studies on projects in the coal industry, covering environmental issues and community engagement. WCI also produced three issues of its newsletter Ecoal (October 08, January and July 2009).

## Membership

6. Membership is open to all coal enterprises. At 30 September 2009 membership stood at 16 companies, 20 national coal associations, and six Honorary Members

**Full Corporate Members:** PT Adaro  
Anglo Coal  
Arch Coal  
BHP Billiton Energy Coal  
BHP Billiton Mitsubishi Alliance  
Carbones del Cerréjon  
Coal India Limited  
CONSOL Energy Inc  
Glencore International AG  
Joy Global, Inc  
Mitsubishi Development Pty Ltd  
Peabody Energy  
Rio Tinto Limited  
Solid Energy New Zealand Ltd  
Total SA  
Xstrata Coal

**Associate Members:** American Coal Ash Association  
ASSOCARBONI  
Association of British Mining Equipment Co  
Association of UK Coal Importers  
Associacao Brasileira do Carvao Mineralz  
Australian Coal Association  
Camara Asomneros  
Coal Association of Canada  
Coal Association of New Zealand  
Confederation of UK Coal Producers  
Cooperative Research Centre for Greenhouse Gas Technologies  
German Hard Coal Association  
Indonesian Coal Mining Association  
Iranian Mines & Mining Industries  
Japan Coal Energy Center  
National Mining Association  
Philippine Chamber of Coal Mines Inc  
Shaanxi Coalfields Geological Bureau  
Svenska Kolinstitutet  
The European Cement Association

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

The following changes to Membership have occurred in the period from 1 October 2009 to the date of this Report:

(a) Additional:

**Full Corporate Members:** None

<b>Associate Members:</b> Cooperative Research Centre for Greenhouse Gas Technologies	05 January 2009
Japan Coal Energy Center	26 November 2008
The European Cement Association	06 January 2009

(b) Lapsed:

**Full Corporate Members:** Store Norske Spitsbergen Grubeкомпани A/S

## Directors

7. 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 2009 comprised:

<u>NOMINATING MEMBER COMPANY</u>	<u>DIRECTOR</u>	<u>ALTERNATE</u>
PT ADARO INDONESIA	A B Grant	E Tsang
ANGLO COAL	R S Wicks	S Pillay
ARCH COAL	J Eaves	D Slone
BHP BILLITON ENERGY COAL	G Kellow	J Beere
BHP BILLITON MITSUBISHI ALLIANCE	M Bastos	R Williams
CARBONES DEL CERREJON	L Teicher	L G Meneses
CARBONES DEL ZULIA		
COAL INDIA LMT	N Chandra	A Deshmukh
CONSOL ENERGY INC	N Delunis	
GLENCORE INTERNATIONAL AG	T Peterson	
JOY GLOBAL INC	M Sutherland	S Stephens
MITSUBISHI DEVELOPMENT PTY LTD	D Isles	Y Dorda
PEABODY ENERGY	G Boyce	F Palmer
RIO TINTO LIMITED	P Chiaro	A Zapantis
SOLID ENERGY NEW ZEALAND LTD	D Elder	A Brown
TOTAL SA	D De Bourgues	G Barztkowiak
XSTRATA COAL	P Freyberg	
WORLD COAL INSTITUTE	M C Catelin (Chief Executive)	
HONORARY MEMBERS	K-H Bund	
	J C Farrell	
	E M Massey	
	J H Morrish	
	A A Sealey	
	J M Slater	

The following members resigned or otherwise ceased to be members of the Board during the year 1 October 2008 to 30 September 2009:

BHP Billiton Energy coal	J Smith	31 October 2008
CONSOL Energy	P Lilly	28 January 2009
Xstrata Coal	C Whyte	13 February 2009
Mitsubishi Development Pty	K Yamanaka	06 February 2009
Coal India	K Ranganath	20 February 2009
Coal India	S Kumar	20 February 2009

\*Associate Members may not hold directorships of the World Coal Institute and thus may not sit individually on the Board of Directors

The following changes to the Board have occurred in the period from 1 October 2009 to the date of this Report

<u>NOMINATING MEMBER COMPANY</u>	<u>DIRECTOR</u>	<u>ALTERNATE DIRECTOR</u>	<u>EFFECTIVE DATE**</u>
(a) Appointments:-	Johannes Dreyer Christian Lelong		12 November 2009 01 December 2009
(b) Resignations -	Glenn Kellow Julian Beere Diego De Bourges		01 November 2009 30 November 2009 01 December 2009

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

COMPANY NAME CHANGES:

None to report

8. Disclosure of information to the auditors

So far, as each person who was a director at the time of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

Ernst and Young LLP were appointed as auditors for these accounts by resolution at the Annual General Meeting on 24 June 2009. A resolution on the appointment of auditors for the financial year ended 30 September 2010 will be put to the members at the Annual General Meeting on 7 May 2010.

Special Provisions of the Companies Act 2006

9. The financial statements have been prepared in accordance with the special provisions relating to small companies of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities.

BY ORDER OF THE BOARD



Karen Milliner  
Company Secretary

Date: 7<sup>th</sup> May 2010

### Statement of Directors' Responsibilities

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;
- state whether any applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 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

The directors confirm that they have complied with the requirements and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in the preparation of the accounts

BY ORDER OF THE BOARD



M C CATELIN  
Chief Executive

Date: 7<sup>th</sup> May 2010

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD COAL INSTITUTE

We have audited the financial statements of World Coal Institute for the year ended 30 September 2009 which comprise the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

*Ernst + Young LLP*

Daniel Trotman (Senior Statutory Auditor)  
for and on behalf of  
Ernst & Young LLP, Statutory Auditor  
London  
7 May 2010



**Income and Expenditure Account for the year ended 30 September 2009**

	Note	2009 £ sterling	2008 £ sterling
<b>Income</b>			
Subscriptions	2	871,406	843,884
Other Income	3	60,800	-
Interest income		3,136	11,525
<b>TOTAL</b>		<b>935,342</b>	<b>855,409</b>
<b>Expenditure</b>			
Accommodation		87,245	69,149
Council Tax		14,097	14,185
Office Costs		47,256	110,368
Disposal of Fixtures and Fittings		-	3,267
Depreciation- Fixtures and Fittings		9,509	4,116
Depreciation -Furniture		2,359	3,146
Staff Costs	5	491,357	466,831
Travel & Subsistence		70,903	85,841
Entertainment		3,150	5,315
Cost of Meetings		29,698	30,117
Legal & Professional Costs		2,390	20,572
Accounting & Tax Fees		9,337	7,477
Audit Fee - current year		9,000	5,520
Publications & Website		100,880	66,299
Bad debts written off		9,268	91,829
<b>TOTAL</b>		<b>886,449</b>	<b>984,032</b>
Surplus/(Deficit) on ordinary activities before taxation		48,893	(128,623)
Taxation	6	(659)	(2,888)
Surplus/ (Deficit) for the year after taxation		<b>48,234</b>	<b>(131,511)</b>

All amounts above relate to continuing operations.

**Statement of Total Recognised Gains and Losses**

		2009 £ sterling	2008 £ sterling
Surplus/(deficit) for the year after taxation		<b>48,234</b>	<b>(131,511)</b>
Total recognised Surplus/(deficit) for the year	14	<b>48,234</b>	<b>(131,511)</b>
Prior year adjustment (as explained in note 13)		-	54,507
Total surplus/(deficit) recognised since last annual report		<b>48,234</b>	<b>(77,004)</b>


The notes on pages 9 to 13 form part of these accounts

**Balance Sheet - at 30 September 2009**

	Note	2009 £ sterling	2008 £ sterling
<b>Fixed Assets</b>			
Tangible fixed assets	7	21,819	30,819
<b>Current Assets</b>			
Debtors - amounts falling due within one year	8	437,931	259,540
Cash at bank & in hand		450,655	525,721
		910,405	816,080
Creditors - amounts due within one year	9	(936,307)	(893,084)
<b>Current (Liabilities)</b>		<b>(25,902)</b>	<b>(77,004)</b>
Provisions for liabilities	10	(2,868)	-
<b>Net (Liabilities)</b>		<b>(28,770)</b>	<b>(77,004)</b>
<b>Reserves</b>			
Income & expenditure account	13	(28,770)	(77,004)

The financial statements have been prepared in accordance with the special provisions relating to small companies of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities.

Approved by the Board of Directors on 07 May 2010  
and signed on its behalf by:

  
Director **DONALD MCGILLIVRAY ELDER**

The notes on pages 9 to 13 form part of these accounts.

**Notes to the Financial Statements - for the year ended 30 September 2009**

**(1) Principal accounting policies**

**(a) Accounting convention and basis of preparation**

The financial statements for the year ended 30 September 2009 were authorised for issue by the Board of Directors on 7 May 2010

The financial statements are prepared under the historical cost convention and are in accordance with the special provisions relating to small companies of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities

The company qualifies as a small company under the terms of Section 381 of the Companies Act 2006. As a consequence it is exempt from the requirement to publish a cash flow statement.

**(b) Subscriptions and other income**

Subscription and other income, which is stated net of value added tax, is recognised in the period to which it relates.

**(c) Depreciation**

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Fixtures and Fittings- over the period of the lease  
Furniture- 25% per annum reducing instalment basis

**(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 crystallise.

**(e) Operating Leases**

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

**(f) Pension Costs**

The company operates a defined contribution scheme. The amount charged to the income and expenditure account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**(g) Interest Income**

Interest income is recognised as it accrues, calculated in accordance with the cumulative effective interest method.

**(h) Foreign Currency**

Foreign currency transactions are initially recorded in sterling by applying the exchange rates on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rate ruling at the balance sheet date. Exchange differences are included in the profit and loss accounts.

**(i) Provisions for Liabilities**

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material provisions are determined by discounting future cash flows. Where the past event gives rise to future economic benefits, an equivalent asset is capitalised and depreciated over the period over which the benefits arise.

(2) Subscriptions and special contributions

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

	<u>2009</u>	<u>2008</u>
	£ sterling	£ sterling
Subscription income	871,406	843,884

An amount totalling £892,129 was invoiced to Members on 1 July 2009 being subscriptions for the period 1 October 2009 to 30 September 2010.

(3) Other income

During the year, WCI redesigned and updated the company website. Costs incurred were reimbursed by corporate members through individual payments of £3,800. Other income solely relates to income received to cover the expenditure incurred on this project.

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

	<u>2009</u>	<u>2008</u>
	£ sterling	£ sterling
Surplus/(deficit) on ordinary activities before taxation is stated after charging.		
Hire of office equipment, operating leases	4,214	5,600
Annual office rent	85,620	70,647
Audit fees	9,000	5,520
	<u>98,834</u>	<u>81,767</u>

(5) Staff costs

	<u>2009</u>	<u>2008</u>
	£ sterling	£ sterling
Wages & salaries	405,427	384,956
Social security costs	47,993	46,057
Pension costs - defined contribution schemes	31,552	25,014
Other staff costs, recruitment & relocation	6,385	10,804
Staff costs - operating expenses	<u>491,357</u>	<u>466,831</u>

(The average number of staff during the year was 5 (2008:5))

Directors' Emoluments (including pension contributions)

	<u>2009</u>	<u>2008</u>
	£ sterling	£ sterling
Emoluments of the Chief Executive		
MC Catelin	<u>288,156</u>	<u>269,558</u>

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 (2008 £nil) No expenses were incurred by the current Chairman, Don Elder on World Coal Institute activities (2008 £nil)

(6) Tax on surplus on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2009 £	2008 £
Current tax		
UK corporation tax at 21 % (20 5%)	659	2,363
Tax under provided in previous years	-	<u>525</u>
Tax on profit on ordinary activities	<u>659</u>	<u>2,888</u>

(b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the small companies' rate of corporation tax in the UK of 21% (2008 - 20 5%)

The differences are reconciled below

	2009 £	2008 £
Surplus/(Deficit) on ordinary activities before tax	48,234	(128,623)
Surplus/(Deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2008 - 20 5%)	10,129	(26,368)
Expenses not deductible/(income not taxable)	(9,470)	28,731
Tax under provided in previous years	-	<u>525</u>
Total current tax	<u>659</u>	<u>2,888</u>



(7) Tangible Fixed Assets

	<u>Fixtures and Fittings</u> £ sterling	<u>Furniture</u> £ sterling	<u>Total</u> £ sterling
Cost			
At 1 October 2008	25,498	21,023	46,521
Additions	2,868	-	2,868
Disposals	-	-	-
At 30 September 2009	28,366	21,023	49,389
Depreciation:			
At 1 October 2008	4,116	11,586	15,702
Disposals	-	-	-
Charge for the period	9,509	2,359	11,868
At 30 September 2009	13,625	13,945	27,570
Net book value*			
At 30 September 2009	14,741	7,078	21,819
At 30 September 2008	21,382	9,437	30,819

(8) Debtors - amounts falling due within one year

	2009 £ sterling	2008 £ sterling
Subscriptions Receivable, net of provision for doubtful debt	381,515	177,629
Prepayments & accrued income	22,605	28,842
Value Added Tax	6,578	17,950
Other debtors <sup>1</sup>	2,083	9,969
Rent deposit <sup>2</sup>	25,150	25,150
	437,931	259,540

<sup>1</sup> Other debtors relates to loans to employees

<sup>2</sup> Rent deposit relates to the lease due to expire in March 2011, therefore not due within one year.

(9) Creditors - amounts falling due within one year

	2009 £ sterling	2008 £ sterling
PAYE/NI	15,993	-
Sundry Creditors & Accruals	25,164	21,691
Subscriptions: charged in advance	892,129	869,030
Corporation Tax	3,021	2,363
	936,307	893,084

(10) Provisions for liabilities

	2009 £ sterling	2008 £ sterling
At 1 October 2008	-	-
Arising during the year	2,868	-
At 30 September 2009	2,868	-

A provision has been made for costs that are expected to be incurred at the end of the lease agreement for the Company's office to rectify alterations made. These costs are expected to be incurred in 2011

(11) Lease commitments

At 30 September 2009 the company had annual commitments under non-cancellable operating leases as set out below:

	2009 £ sterling		2008 £ sterling	
	Land and Buildings	Other	Land and Buildings	Other
Operating leases which expire				
Within one year	-	2,016	-	4,034
In the second to fifth years	85,620	-	85,620	2,016
Inclusive				
	85,620	2,016	85,620	6,050

(12) 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.

(13) Reconciliation of movements in Members' funds

	2009	2008
	£ sterling	£ sterling
Surplus/(deficit) for the financial year	48,234	(131,511)
Increase/(decrease) to Members' funds	48,234	(131,511)
Opening Members' funds	(77,004)	54,507
Closing Members' funds	(28,770)	(77,004)

(14) Movement in reserves

	£ sterling
At 1 October 2008	(77,004)
Surplus for the year	48,234
At 30 September 2009	(28,770)