Company Registration Number 02168685

ChantreyVellacottDFKLLP

SATURDAY

A2KAI1FC

A21 02/11/2013 #304

COMPANIES HOUSE

IEA Environmental Projects Limited

Annual report

31 March 2013

Contents

IEA Environmental Projects Limited

Officers and professional advisers

The board of directors	Dr J M Topper J B Lott Dr M H Davies
Company secretary	R M Davidson
Registered office	Gemini House 10-18 Putney Hill London SW15 6AA
Auditor	Chantrey Vellacott DFK LLP Chartered Accountants and Statutory Auditor Prospect House 58 Queens Road Reading Berkshire RG1 4RP

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 March 2013

Principal activities
The principal activity of the company during the year was to be that of Operating Agent for the IEA Greenhouse Gas R&D Programme ("the Programme") on behalf of its members This is an international collaboration supported by 19 countries (2012 20), the European Commission, and 23 industrial sponsors (2012 25) Its purpose is to provide information on technologies for the abatement of greenhouse gas emissions from the burning of fossil fuels The members are represented through an Executive Committee

Since 3rd July 2001, the company has also been the owner of IEA Coal Research Limited, the Operating Agent for IEA Clean Coal Centre, an international organisation set up to provide information about, and analysis of, all aspects of coal-related combustion technologies, the economics and associated environmental control technologies

The company operates the IEA Greenhouse Gas R&D programme under the terms of the Implementing Agreement

The primary members of the IEA Greenhouse Gas R&D programme are government agencies of countries interested in greenhouse gas emissions and interest in the subject is increasing as concerns over global warming and future energy supplies continue to exercise authorities around the world Individual government agencies may have financial constraints imposed on them and sometimes replace direct subscription to the Programme by 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 Programme continues to research and disseminate information on subjects relevant to greenhouse gas mitigation The subjects are decided by the members and, increasingly, are published electronically rather than by hard copy

The company may only charge to the IEA Greenhouse Gas R&D Programme the exact costs of the operation and therefore makes neither a profit nor a loss

The Programme's operating mandate was renewed for a further five years from November 2011 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 currency exchange rates Certain amounts are invoiced in US dollars based on the exchange rate ruling at the date of the transaction

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

Creditor payment policy
The company policy is to pay creditors within 30 days of receipt of invoice During the year the average creditor days was 19 days (2012 6 days)

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

Employee involvement
The company's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests

Information on matters of concern to employees is given at staff meetings and through information bulletins and reports

Disabled persons
The company gives equal consideration to potential staff with disabilities for those vacancies for which they may be considered If employed they would qualify for terms and conditions of service equal to those of existing staff

Results and dividends
The results for the year are shown on pages 5 and 6 The directors have not recommended a dividend as there are no earnings from which it can be declared

Directors
The directors who served the company during the year were as follows

Dr J M Topper
J B Lott
A M Lloyd

Dr M H Davies was appointed as a director on 10 April 2013
A M Lloyd resigned as a director on 10 April 2013

Directors' responsibilities
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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year

In preparing those financial statements, the directors are required to

- select suitable accounting policies 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 company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

Insofar as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor
Chantrey Vellacott DFK LLP have been appointed as auditor for the ensuing year in accordance with Section 487 of the Companies Act 2006

Signed by order of the directors

Robert M Davidson

R M Davidson
Company Secretary

Approved by the directors on 17 Oct 13

Independent auditor's report to the shareholders of IEA Environmental Projects Limited

Year ended 31 March 2013

We have audited the financial statements of IEA Environmental Projects Limited for the year ended 31 March 2013 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor
As explained more fully in the directors' responsibilities statement set out 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 Our responsibility is to audit and express an opinion on 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 In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 31 March 2013 and of its loss 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

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

Chantrey Vellacott DFK LLP

IAN B JOHNSON (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
Reading
30/10/13

IEA Environmental Projects Limited

Profit and loss account

Year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	2	**1,775,004**	2,204,422
Administrative expenses		**(1,837,869)**	(2,173,082)
Other operating income	3	**–**	2,707
Operating (loss)/ profit	4	**(62,865)**	34,047
Interest receivable		**19,856**	19,744
Other finance income/ (cost)	12	**17,000**	(5,000)
(Loss)/ profit on ordinary activities before taxation		**(26,009)**	48,791
Tax on profit on ordinary activities	7	**(2,991)**	(2,791)
(Loss)/ profit for the financial year		**(29,000)**	46,000

All of the activities of the company are classed as continuing

ChantreyVellacottDFKLLP

The notes on pages 8 to 17 form part of these financial statements

IEA Environmental Projects Limited

Statement of total recognised gains and losses

Year ended 31 March 2013

	2013	2012
	£	£
(Loss)/ profit for the financial year attributable to the shareholders	**(29,000)**	46,000
Actuarial gain/(loss) in respect of defined benefit pension scheme	**29,000**	(46,000)
Total gains and losses recognised since the last annual report	**-**	-

The notes on pages 8 to 17 form part of these financial statements

IEA Environmental Projects Limited

Balance sheet

As at 31 March 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	8	2	2
Current assets			
Debtors	9	516,059	308,153
Cash at bank		2,311,839	2,621,873
		2,827,898	2,930,026
Creditors amounts falling due within one year	10	946,621	1,261,562
Net current assets		1,881,277	1,668,464
Total assets less current liabilities		1,881,279	1,668,466
Creditors amounts falling due after more than one year	11	1,980,179	1,677,366
Net assets/(liabilities) excluding pension asset		(98,900)	(8,900)
Defined benefit pension scheme asset	12	99,000	9,000
Net assets including pension asset		100	100
Capital and reserves			
Called up equity share capital	16	100	100
Shareholders' funds	17	100	100

These financial statements were approved by the directors and authorised for issue on 17/10/13 , and are signed on their behalf by

Dr J M Topper

J B Lott

Company Registration Number 02168685

The notes on pages 8 to 17 form part of these financial statements

1 Accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The financial statements present information about the company as an individual undertaking and not about its group The company has not prepared group accounts as it is exempt from the requirement to do so by the Companies Act 2006 as it is a subsidiary undertaking of Rio Tinto Plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company

The company is the operating agent for IEA Greenhouse Gas R&D Programme ("the Programme") which is financed by various countries, sponsors and the EU The company's net expenditure in each year is charged to the Programme, the company making neither profit nor loss

Cash flow statement
The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary and its ultimate parent company publishes a consolidated cash flow statement

Turnover
Turnover represents contributions received from member countries, sponsorship and the sales of services, excluding Value Added Tax

Revenue from subscriptions is recognised as earned in the membership year to which it is attributable and to the extent that the company obtains the right to consideration in exchange for its performance under the Implementing Agreement Revenue from services is recognised by reference to the event date on which the service is delivered

Revenue is also earned under a variety of contracts to provide research project services Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under these contracts It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding Value Added Tax

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors

Fee income that is contingent on events outside the control of the company is recognised when the contingent event occurs

Research and development
Research and development expenditure is written off in the year in which it is incurred

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

1 Accounting policies *(continued)*

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme for the benefit of its employees Contributions payable are charged to the profit and loss account in the year they are payable

The company operates a sub-fund in the Industry Wide Coal Staff Superannuation Scheme (IWCSSS) in which two employees participated with the benefits provided on a defined benefits basis In previous years, contributions payable in the year were charged to the profit and loss account as incurred

With the effect from 1 April 2009 for the IWCSSS defined benefit scheme the difference between the fair value of the assets held in the pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the balance sheet as a pension asset or liability as appropriate The cost of providing pensions is charged to the profit and loss account so as to spread the regular costs over the service lives of employees The pension obligation is measured at the present value of the estimated future cash flows using interest rates derived from AA- rated corporate bonds that have terms to maturity approximating the terms of the related liability

When the benefits of a scheme are improved, past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested To the extent the benefits are already vested immediately, following the introduction of, or changes to, a defined benefit plan, the past service costs are recognised as an expense immediately

Changes in the defined benefit pension scheme asset or liability, arising from factors other than cash contributions are charged to the profit and loss account or the statement of total recognised gains and losses in accordance with FRS 17 'Retirement Benefits'

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction Exchange differences are taken into account in arriving at the operating profit

Financial instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Investments
Fixed asset investments are stated at cost less provision for diminution in value

Deferred government grants
Grants are credited to deferred revenue Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Other operating income

	2013	2012
	£	£
Other operating income	–	2,707

4 Operating profit

Operating profit is stated after charging/(crediting)

	2013	2012
	£	£
Auditor's remuneration		
- as auditor	9,000	9,000
- for other services	29,975	37,596
Operating lease costs		
- Other	29,300	26,625
Net (profit)/loss on foreign currency translation	(21,800)	13,506

5 Particulars of employees

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows

	2013 No	2012 No
Number of administration and technical staff	**13**	13
Management	**1**	1
	14	14

The aggregate payroll costs of the above were

	2013 £	2012 £
Wages and salaries	**546,100**	572,469
Social security costs	**56,408**	58,847
Other pension costs	**52,870**	39,711
	655,378	671,027

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (see note 12) and amounts recognised in the statement of recognised gains and losses

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2013 £	2012 £
Remuneration receivable	**2,000**	2,000

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
UK Corporation tax based on the results for the year	**1,500**	1,633
Under provision in prior year	**1,491**	1,158
Total current tax	**2,991**	2,791

(b) Factors affecting current tax charge

	2013 £	2012 £
(Loss)/ profit on ordinary activities before taxation	**(26,009)**	48,791
(Loss)/ profit on ordinary activities multiplied by rate of tax	**(6,961)**	5,133
Adjustments to tax charge in respect of previous periods	**1,491**	1,158
Sundry tax adjusting items	**8,461**	(3,500)
Total current tax (note 7(a))	**2,991**	2,791

8 Investments

Shares in subsidiary undertakings and participating interests

	£
Cost	
At 1 April 2012 and 31 March 2013	**2**
Net book value	
At 31 March 2013 and 31 March 2012	**2**

The company owns 100% of the issued ordinary share capital of IEA Coal Research Limited, a company incorporated in England and Wales

The aggregate amount of capital and reserves at 31 March 2012 were

Aggregate capital and reserves		
IEA Coal Research Limited	**2**	2
Profit and (loss) for the year		
IEA Coal Research Limited	**-**	-

9 Debtors

	2013 £	2012 £
Trade debtors	**481,513**	265,795
VAT recoverable	**446**	4,414
Other debtors	**1,037**	4,447
Prepayments and accrued income	**33,063**	33,497
	516,059	308,153

10 Creditors amounts falling due within one year

	2013 £	2012 £
Trade creditors	**103,299**	35,705
Amounts owed to group undertakings	**177,506**	93,412
Taxation	**1,500**	4,282
Other creditors	**163,595**	214,465
Accruals and deferred income	**500,721**	913,698
	946,621	1,261,562

Amounts owed to group undertakings are unsecured and have no fixed date of repayment

Included in other creditors the directors have designated funds which were received as a result of a surplus generated on GHGT conferences as a special project fund The balance held at the year end was £149,665 (2012 £127,333) Agreed usage for these monies is special projects on IT Hardware and security, and future conference costs

11 Creditors amounts falling due after more than one year

	2013 £	2012 £
Trade creditors	**1,980,179**	1,677,366

Amounts held on behalf of contributing countries consist of the following

Winding up fund
The winding-up fund exists to cover the costs arising from the closure of the IEA Greenhouse Gas R&D Programme No agreement has been made nor are there any plans to wind up the Programme at the present time The size of the fund is assessed annually by the Operating Agent and any proposed changes are agreed annually by the Executive Committee The size of the fund as at 31 March 2013 was £281,262 (2012 £281,262)

Members' contributions not yet committed
Members' contributions not yet committed are the sums of money remaining once charges have been made for working capital and other commitments during the year The balance as at 31 March 2013 was £1,698,917 (2012 £1,396,104)

12 Pensions and other post retirement benefits

Employees of IEA Environmental Projects Limited are members of two pension schemes The assets of the schemes are held in separate trustee administered funds

Defined contribution
With effect from 1 April 2008, employees (except for the two employees participating in the IWCSSS) are eligible to join the defined contribution section of the Rio Tinto pension fund The cost of contributions to the defined contribution section of the Rio Tinto pension fund amounted to £52,870 (2012 £39,711)

Defined benefit
Two employees participated in the Industry Wide Coal Staff Superannuation Scheme (IWCSSS) with benefits provided on a defined benefit basis

Following the actuarial valuation of the IWCSSS as at 31 December 2006, the company's contribution rate in respect of future accrual of benefits, provision of death in service lump sum benefits and the administration expense incurred by the IWCSSS was increased to 26 3% of pensionable pay with effect from 1 November 2007 Prior to that date the company's contribution rate was 17 45% of pensionable pay plus and annual expense charge of £1,000 The actuarial valuation revealed a funding shortfall in respect of benefits accrued up to the date of the valuation and the company have been making additional payments of £2,000 per month for a period of five years from 1 November 2007 to eliminate this shortfall

In March 2011, following completion of the actuarial valuation of the scheme to 31 December 2009 carried out during 2010, the company reached agreement with the trustees of the pension scheme for a revised recovery plan to make up the revised shortfall The shortfall shown by the actuarial valuation for these purposes was in excess of those calculated for the purposes of complying with the requirements of FRS 17 In this respect a payment of £201,000 was made on 1 April 2011 At the same time, monthly payments at a rate of £39,900 per annum commenced for 5 years to 31 March 2016 and the employer contribution increased to 33 8% of pensionable earnings

The valuation used for Financial Reporting Standard 17, retirement benefits (FRS 17) disclosure has been based on a full assessment of the liabilities of the IWCSSS plan as at 31 December 2009 The present value of the defined benefit obligation, the related service cost and any past service costs were calculated using a full extract at 31 December 2009 and based on detailed member calculations

The results as at 31 March 2013 have been calculated by projecting forward the results of the 31 December 2009 funding valuation Specifically, the funding valuation liabilities have been adjusted so as to reflect the different actuarial assumptions used for FRS 17 purposes as at 31 March 2013 The adjustment was done by identifying the average ages of the different categories of scheme member (i e Actives, deferred pensioners and pensioners) and adjusting the liabilities for the different categories by reference to the average age The adjusted results were then projected from 31 December 2009 to 31 March 2013 to reflect the actual investments returns achieved by the scheme's assets and the contributions paid to the scheme between the two dates, assuming that the contributions were paid evenly and the investment returns were achieved evenly throughout the period

In addition, legislation imposes a levy on company pension schemes to fund the statutory pension protection fund The PPF levy for the IWCSSS was included within the company contribution rate until 31 March 2007 but since 1 April 2007 it has been payable in addition

The amounts recognised in the profit and loss account are as follows

	2013	2012
	£	£
Amounts charged to operating profit		
Current service cost	**23,000**	25,000
Total operating charge	**23,000**	25,000

12 Pensions and other post retirement benefits *(continued)*

	2013 £	2012 £
Amounts included in other finance cost		
Expected return on scheme assets	**(56,000)**	(45,000)
Interest on scheme liabilities	**39,000**	50,000
Other finance (income) / cost	**(17,000)**	5,000
Total charge to the profit and loss account	**6,000**	30,000
Actual return on scheme assets	**138,000**	13,000

Actuarial gains of £29,000 (2012 £46,000 losses) have been recognised in the statement of total recognised gains and losses At 31 March 2013 the cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses is £164,000 (2012 £193,000)

Expected contributions to the plan during the next accounting period are £68,000

The amounts recognised in the balance sheet are as follows

	2013 £	2012 £
Present value of funded obligations	**(939,000)**	(819,000)
Fair value of scheme assets	**1,038,000**	828,000
Net pension asset	**99,000**	9,000

Changes in the present value of the defined benefit obligation scheme are as follows

	2013 £	2012 £
Opening defined benefit obligation	**819,000**	724,000
Current service cost (including employee contributions)	**28,000**	31,000
Interest on scheme liabilities	**39,000**	50,000
Actuarial loss	**53,000**	14,000
Closing defined benefit obligation	**939,000**	819,000

Changes in the fair value of scheme assets are as follows

	2013 £	2012 £
Opening fair value of scheme assets	**828,000**	533,000
Expected return on scheme assets	**56,000**	45,000
Contributions by employer	**67,000**	276,000
Contributions by scheme participants	**5,000**	6,000
Actuarial gain/ (loss)	**82,000**	(32,000)
Closing fair value of scheme assets	**1,038,000**	828,000

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows

	2013 %	2012 %
European equities	**90 00**	90 00
European bonds	**10 00**	10 00

At the balance sheet date, the assets of the IWCSSS plan attributable to IEA Environmental Projects Limited consisted of cash, UK and overseas equities and UK corporate bonds

12 Pensions and other post retirement benefits *(continued)*

The principal actuarial assumptions as at the balance sheet date were

	2013	2012
Discount rate	**4 30%**	4 70%
Inflation rate (RPI)	**2 90%**	3 00%
Expected return on scheme assets	**6 80%**	6 83%
Rate of increase in salaries	**4 90%**	5 00%
Rate of increase in pensions in payment	**2 90%**	3 00%
Life expectancy of current pensioners (from age 60), in years	**24 9**	24 8
Life expectancy of future pensioners (from age 60), in years	**25 7**	25 5

In determining the long term rate of return on pension plan assets historical markets are studied and assets with higher volatility are assumed to generated higher returns consistent with widely accepted capital market principles The overall expected rate of return is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Scheme

Amounts for the current and previous three periods are as follows

	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	**(939,000)**	(819,000)	(724,000)	(628,000)
Fair value of scheme assets	**1,038,000**	828,000	533,000	428,000
Surplus/(deficit) in the scheme	**99,000**	9,000	(191,000)	(200,000)

Information on the company's share of the pension scheme surplus/ deficit is only available for the current and previous three periods, therefore, only four years information is disclosed, instead of the five years required by FRS 17 Prior to 31 March 2010 contributions paid by the company were accounted as if the scheme were a defined contribution scheme, as the company was unable to identify its share of the underlying assets and liabilities in the scheme

If the discount rate was increased by 0 5% per annum the balance sheet position would become a surplus of £190,000 (2012 £86,000) and if the long term rate of improvement in longevity were to be taken as 1 5% per annum the balance sheet position would become a surplus of £76,000

13 Commitments under operating leases

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2013 £	2012 £
Operating leases which expire		
Within two to five years	**29,300**	29,300

14 Related party transactions

The company made charges to IEA Greenhouse Gas R&D Programme of £1,372,155 (2012 1,573,211)

IEA Coal Research Limited, its subsidiary undertaking, was owed £177,506 (2012 £93,412) at the balance sheet date During the year IEA Coal Research Limited recharged expenses to the company of £48,357 (2012 £25,257)

The company rented its offices from The Orchard Business Centre Limited, a company of which J B Lott is a director Rental and service charge payments of £29,300 (2012 £28,972) were made during the year At the year end there was no balance outstanding

15 Control

The company is a wholly owned subsidiary of Rio Tinto International Holdings Limited, a company registered in England and Wales

The smallest group into which the company is consolidated is Rio Tinto International Holdings Limited The largest group into which the company is consolidated is Rio Tinto Plc, a company incorporated 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 Alternatively, they are available to download from www riotinto com

16 Share capital

Authorised share capital

	2013	2012
	£	£
100 Ordinary shares of £1 each	**100**	100

Allotted, called up and fully paid

	2013		2012	
	No	**£**	No	£
100 Ordinary shares of £1 each	**100**	**100**	100	100

17 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
(Loss)/ profit for the financial year	**(29,000)**	46,000
Defined benefit pension scheme	**29,000**	(46,000)
Net addition to shareholders' funds	**–**	–
Opening shareholders' funds	**100**	100
Closing shareholders' funds	**100**	100