

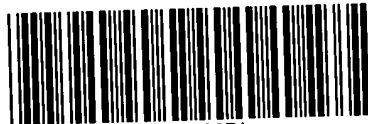
Registered number: 02168685

IEA ENVIRONMENTAL PROJECTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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IEA ENVIRONMENTAL PROJECTS LIMITED

COMPANY INFORMATION

Directors	Dr M H Davies J J Gale J B Lott Dr A J Minchener
Company secretary	P L Watkins
Registered number	02168685
Registered office	Pure Offices Cheltenham Office Park Hatherley Lane Cheltenham GL51 6SH
Independent auditors	Moore Stephens LLP Prospect House 58 Queens Road Reading Berkshire RG1 4RP

IEA ENVIRONMENTAL PROJECTS LIMITED

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IEA ENVIRONMENTAL PROJECTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Principal activities and business review

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 14 countries (2016: 15), the European Commission and the Organisation of Petroleum Exporting Countries, and 15 industrial sponsors (2016: 17). 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.

The company operates the IEA Greenhouse Gas R&D programme under the terms of the Implementing Agreement dated, 25 November 2013.

The primary members of the IEA Greenhouse Gas R&D programme are government agencies of countries interested in greenhouse gas emissions. 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 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 or a loss.

The Programme's operating mandate was renewed for a further five years from 1 December 2016 by the International Energy Agency Committee on Energy Research and Technology.

Results and dividends

The profit for the year, after taxation, amounted to £38,000 (2016 - £38,000) which after losses of £38,000 (2016 - £38,000) recorded in other comprehensive income reflects a nil result for the year. The directors have therefore not recommended a dividend.

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.

IEA ENVIRONMENTAL PROJECTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

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.

Directors

The directors who served during the year were:

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

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.

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.

IEA ENVIRONMENTAL PROJECTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Auditors

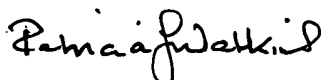
The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small company 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.



P L Watkins
Secretary

Date: 19/10/17

IEA ENVIRONMENTAL PROJECTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IEA ENVIRONMENTAL PROJECTS LIMITED

We have audited the financial statements of IEA Environmental Projects Limited for the year ended 31 March 2017, set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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.

Respective responsibilities of Directors and Auditors

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. 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 Practitioners Boards (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2017 and of its profit 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, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which they are prepared is consistent with those and this report has been prepared in accordance with applicable legal requirements.

IEA ENVIRONMENTAL PROJECTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IEA ENVIRONMENTAL PROJECTS
LIMITED (CONTINUED)

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 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Daniel Henwood (Senior Statutory Auditor)
for and on behalf of Moore Stephens LLP, Statutory Auditor

Prospect House
58 Queens Road
Reading
Berkshire
RG1 4RP

Date: 25/10/2017

IEA ENVIRONMENTAL PROJECTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	1,409,560	1,706,425
Gross profit		1,409,560	1,706,425
Administrative expenses		(1,385,024)	(1,682,585)
Operating profit	5	24,536	23,840
Interest receivable		12,932	15,160
Profit before tax		37,468	39,000
Tax on profit	9	532	(1,000)
Profit for the year		38,000	38,000

The notes on pages 11 to 22 form part of these financial statements.

IEA ENVIRONMENTAL PROJECTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Profit for the financial year		38,000	38,000
Other comprehensive income			
Actuarial gain/(loss) on defined benefit schemes		41,000	(51,000)
Pension surplus not recognised		(79,000)	13,000
Other comprehensive income for the year		(38,000)	(38,000)
Total comprehensive income for the year		-	-

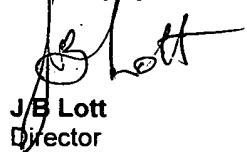
The notes on pages 11 to 22 form part of these financial statements.

IEA ENVIRONMENTAL PROJECTS LIMITED
REGISTERED NUMBER: 02168685

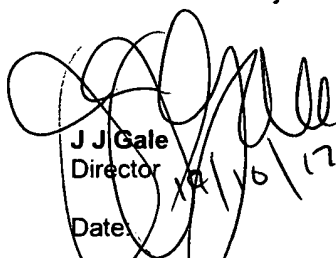
BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	10	2	2
		<u>2</u>	<u>2</u>
Current assets			
Debtors: amounts falling due within one year	11	303,502	47,381
Bank and cash balances		3,183,287	3,107,752
		<u>3,486,789</u>	<u>3,155,133</u>
Creditors: amounts falling due within one year	12	(3,486,691)	(3,155,035)
Net current assets		<u>98</u>	<u>98</u>
Total assets less current liabilities		<u>100</u>	<u>100</u>
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called up share capital	13	100	100
		<u>100</u>	<u>100</u>

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


J/B Lott
 Director

Date: 19/10/17


J J Gale
 Director
 Date: 19/10/17

The notes on pages 11 to 22 form part of these financial statements.

IEA ENVIRONMENTAL PROJECTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	100	-	100
Comprehensive income for the year			
Profit for the year	-	38,000	38,000
Actuarial losses on pension scheme	-	(38,000)	(38,000)
Other comprehensive income for the year	-	(38,000)	(38,000)
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 March 2017	100	-	100

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	100	-	100
Comprehensive income for the year			
Profit for the year	-	38,000	38,000
Actuarial losses on pension scheme	-	(38,000)	(38,000)
Other comprehensive income for the year	-	(38,000)	(38,000)
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 March 2016	100	-	100

The notes on pages 11 to 22 form part of these financial statements.

IEA ENVIRONMENTAL PROJECTS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	38,000	38,000
Adjustments for:		
Interest receivable	(12,932)	(15,160)
Taxation expense	(532)	1,000
(Increase)/Decrease in debtors	(256,121)	373,021
Increase/(Decrease) in creditors	332,446	(45,051)
Difference between net pension expense and cash contribution	(30,000)	(29,000)
Corporation tax paid	(258)	(1,001)
Net cash generated from operating activities	70,603	321,809
Cash flows from investing activities		
Interest received	4,932	6,160
Net cash from investing activities	4,932	6,160
Net increase / (decrease) in cash and cash equivalents	75,535	327,969
Cash and cash equivalents at beginning of year	3,107,752	2,779,783
Cash and cash equivalents at the end of year	3,183,287	3,107,752
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,183,287	3,107,752
	3,183,287	3,107,752

The notes on pages 11 to 22 form part of these financial statements.

IEA ENVIRONMENTAL PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. Company information

IEA Environmental Projects Limited is a private limited company incorporated and registered in England and Wales. The registered office is as follows:

Pure Offices
Cheltenham Office Park
Hatherley Lane
Cheltenham
GL51 6SH

The principal activity of the company during the year was to continue to operate the IEA Greenhouse Gas R&D Programme ("the Programme") under the terms of the implementing Agreement.

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.

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 IEA Greenhouse Gas R&D Programme during the year, excluding VAT. Income from member and sponsor contributions and the sale of services is collected by the company on behalf of the Programme and are transferred to the Programme net of costs incurred. The balance held on behalf of the Programme is included in creditors.

2.4 Consolidation

IEA Environmental Projects Limited owns 100% of the issued ordinary share capital of IEA Coal Research Limited but does not meet the definition of a subsidiary under FRS 102.

IEA Coal Research Limited is controlled by the Executive Committee for the IEA Clean Coal Centre as they are the body that govern the financial and operating policies of the company and appoint and terminate directorships.

In the absence of a parent subsidiary relationship consolidated financial statements are not prepared.

2.5 Operating leases

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

2.6 Valuation of investments

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

IEA ENVIRONMENTAL PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 Financial instruments

The Company only enters into basic financial instruments 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.

All financial assets and liabilities held by the Company at the balance sheet date are measured at amortised cost.

2.10 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.

2.11 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. Nonmonetary 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.

IEA ENVIRONMENTAL PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.12 Pension costs and other post-retirement benefits

Defined benefit plan

The company also operates a sub-fund in the Industry Wide Coal Staff Superannuation Scheme (IWCSSS) in which one employee participated with the benefits provided on a defined benefits basis.

For the IWCSSS the cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

The valuation used for the disclosure has been based on a full assessment of the liabilities of the IWCSS plan as at 31 December 2015. 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 2015 and based on a detailed member calculations.

The results as at 31 March 2017 have been calculated by projecting forward the results of the 31 December 2015 funding valuation on a going concern basis. The results have then been adjusted by allowing for the FRS 102 financial and demographic assumptions.

Further details are given in note 14.

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

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

IEA ENVIRONMENTAL PROJECTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.14 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

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

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

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. Key areas include useful economic life of assets. Management consider the following to be significant judgements and estimates:

Defined benefit scheme

The company operates a defined benefit pension scheme. Pension valuations, which require the use of estimates, have been performed using specialist advice obtained from independent qualified actuaries.

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.

Stage of completion of technical studies

An accrual is made in the accounts for outstanding costs to be paid on technical studies. This is based on management judgement of the stage of completion at the balance sheet date.

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.

IEA ENVIRONMENTAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Turnover

The whole of the turnover is 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.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the company's annual financial statements	11,900	11,500
Fees payable to the company's auditors for other services	20,300	19,200
Fees payable to the company's auditors for taxation compliance services	700	600
Exchange differences	16,699	(23,998)
Other operating lease costs	47,011	46,159
	<u> </u>	<u> </u>

6. Employees

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

	2017 £	2016 £
Wages and salaries	471,763	494,595
Social security costs	52,329	52,217
Pension cost	48,327	80,771
	<u> </u>	<u> </u>
	<u>572,419</u>	<u>627,583</u>

Pension costs include £9,000 (2016: £31,000), in respect of the current service cost under defined benefit pension schemes, representing amounts charged to operating profit. These amounts do not include amounts credited to other finance costs (see note 14) and amounts recognised after comprehensive income in respect of defined benefit pension schemes.

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

	2017 No.	2016 No.
Administration and technical staff	9	10
Management	1	1
	<u> </u>	<u> </u>
	<u>10</u>	<u>11</u>

IEA ENVIRONMENTAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	91,621	92,318
	<u>91,621</u>	<u>92,318</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined benefit pensions schemes. This director is the only employee participating in the scheme. Further details can be seen in Note 14.

8. Interest receivable

	2017 £	2016 £
Other interest receivable	4,932	6,160
Net interest on net defined benefit asset	8,000	9,000
	<u>12,932</u>	<u>15,160</u>

9. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	250	1,000
Adjustments in respect of previous periods	(782)	-
	<u>(532)</u>	<u>1,000</u>
 Taxation on profit on ordinary activities	 <u>(532)</u>	 <u>1,000</u>

IEA ENVIRONMENTAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 20% (2016 - 20%) as set out below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>37,468</u>	<u>39,000</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	7,494	7,800
Effects of:		
Prior year difference	(768)	-
Other differences leading to an decrease in the tax charge	(7,258)	(6,800)
Total tax charge for the year	<u><u>(532)</u></u>	<u><u>1,000</u></u>

10. Fixed asset investments

	Investments £
Cost or valuation	
At 1 April 2016	2
At 31 March 2017	<u>2</u>
Net book value	
At 31 March 2017	<u><u>2</u></u>
At 31 March 2016	<u><u>2</u></u>

IEA ENVIRONMENTAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Fixed asset investments (continued)

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 2017 amounted to £2 (2016 £2) and the result for the year 31 March 2017 was £Nil (2016 £Nil).

11. Debtors

	2017 £	2016 £
Trade debtors	216,768	23,463
Other debtors	26,034	7,687
Prepayments and accrued income	60,700	16,231
	<u>303,502</u>	<u>47,381</u>

12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	97,521	31,263
Amounts owed to group undertakings	17,411	136,348
Amounts owed to IEA Greenhouse Gas R&D Programme	2,048,228	2,037,286
Corporation tax	250	1,040
Other creditors	142,946	119,635
Accruals and deferred income	1,180,335	829,463
	<u>3,486,691</u>	<u>3,155,035</u>

13. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

IEA ENVIRONMENTAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Pension commitments

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 employee 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 £39,327 (2016: £44,771).

Defined benefit

One employee participated in the Industry Wide Coal Staff Superannuation Scheme (IWCSSS) with benefits provided on a defined benefit basis.

As the Scheme has only one remaining active member there is limited scope for the Company to recognise the surplus in respect of the scheme and as a result it has been restricted to £nil.

Reconciliation of present value of plan liabilities:

	2017 £	2016 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	1,243,000	1,221,000
Current service cost (including employee contributions)	9,000	36,000
Interest cost	44,000	43,000
Actuarial gains/(losses)	253,000	(57,000)
Benefits paid	(31,000)	-
At the end of the year	1,518,000	1,243,000

	2017 £	2016 £
Reconciliation of fair value of plan assets		
At the beginning of the year	1,454,000	1,445,000
Interest income	52,000	52,000
Actuarial gains/(losses)	294,000	(108,000)
Contributions by employer	57,000	78,000
Contributions by employee	2,000	5,000
Benefits paid	(31,000)	-
Administration expenses	(20,000)	(18,000)
At the end of the year	1,808,000	1,454,000

IEA ENVIRONMENTAL PROJECTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. Pension commitments (continued)

Composition of plan assets:

	2017 £	2016 £
UK equities	491,000	389,000
Oversea equities	1,147,000	909,000
UK corporate bonds	167,000	151,000
Cash / other	3,000	5,000
Total plan assets	1,808,000	1,454,000

	2017 £	2016 £
Present value of liabilities	(1,518,000)	(1,243,000)
Fair value of plan assets	1,808,000	1,454,000
Surplus restriction	(290,000)	(211,000)
Net pension scheme liability	-	-

The amounts recognised in profit or loss are as follows:

	2017 £	2016 £
Current service cost	(7,000)	(31,000)
Net interest on benefit asset	8,000	9,000
Administration expenses	(20,000)	(18,000)
Total	(19,000)	(40,000)

The Company expects to contribute £39,900 to its defined benefit pension scheme in 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2017	2016
Discount rate	3.00%	3.60%
Future salary increases	N/A	4.00%
Future pension increases	3.10%	3.00%
Mortality rates		
Life expectancy of current pensioners (from age 60)	27.5	25.6
Life expectancy of future pensioners (from age 60)	28.6	26.6

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2017	2016	2015	2014	2013
	£	£	£	£	£
Defined benefit obligation	(1,518,000)	(1,243,000)	(1,221,000)	(1,009,000)	(939,000)
Scheme assets	1,808,000	1,454,000	1,445,000	1,203,000	1,038,000
Surplus	290,000	211,000	224,000	194,000	99,000

If the discount rate was increased by 0.5% (2016: 0.5%) per annum the funded status would become a surplus of £414,000 (2016: £318,000).

If the long term rate of improvement in longevity were to be taken at 1.75% (2016: 1.5%) per annum the funded status would become a surplus of £267,000 (2016: £204,000).

15. Related party transactions

The company made charges to IEA Greenhouse Gas R&D Programme of £1,203,527 (2016: £1,291,621).

IEA Coal Research Limited, its subsidiary undertaking, was owed £17,411 (2016: £136,348) at the balance sheet date. In the period £29,529 was written off by IEA Coal Research Limited in favour of IEA Environmental Projects Limited as part of a settlement agreed between the two companies.

During the year IEA Coal Research Limited recharged expenses to the company of £4,927 (2016: £8,668).

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Controlling party

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.