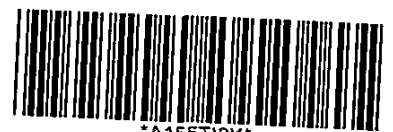


THE GLOBAL WARMING POLICY FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

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THE GLOBAL WARMING POLICY FOUNDATION

I N D E X

Year ended 31 July 2011

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THE GLOBAL WARMING POLICY FOUNDATION

GENERAL INFORMATION

Year ended 31 July 2011

Charity Registration number	1131448
Company number	06962749
Directors	The Rt Hon The Lord Lawson (Chairman) The Rt Hon The Lord Barnett The Lord Donoughue The Rt Hon Lord Fellowes GCB GCVO QSO Rt Rev Peter Forster Sir Martin Jacomb Henri Lepage Baroness Nicholson of Winterbourne The Lord Turnbull KCB CVO
Honorary Treasurer	Sir James Spooner
Registered office	1 Carlton House Terrace London SW1Y 5DB
Independent examiner	M V Waterman FCA Dixon Wilson Chartered Accountants 22 Chancery Lane London WC2A 1LS
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP
Legal advisers	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH Darbys Solicitors LLP 52 New Inn Hall Street Oxford OX1 2DN

THE GLOBAL WARMING POLICY FOUNDATION

CHAIRMAN'S STATEMENT

Year ended 31 July 2011

I am pleased to present the second annual report and accounts of the Global Warming Policy Foundation

Our second year of existence, 2010-2011, was one of remarkable progress for the Foundation. We have been able to establish ourselves as the leading think-tank in our field, and one of the most influential in any field. This has been due in large measure to the excellence of our Director, Benny Peiser, whose report outlines a number of our achievements during the year.

He has been ably assisted by a very small but hard-working staff, a strongly supportive Board of Trustees, an eminent Academic Advisory Council, and a most diligent honorary Treasurer.

Before we came into existence there was virtually no debate about global warming policy in the UK. There is now an increasingly lively debate, and, within the media, only the BBC continues to regard the matter as being definitively settled, and not a proper subject for debate. The GWPF has played an important part in achieving this change.

There is still, however, a long way to go. Political leaders always find it difficult to admit to having made a mistake, and the bigger the mistake, the harder it is to admit. The Foundation's task is very far from over.

Our progress has been all the more remarkable given that those bodies that promote the conventional wisdom enjoy funding – much of it from the Government, aka the taxpayer, even in these straitened times – a thousand times greater than ours. But although we believe in running a very tight ship, adequate funding is clearly essential, and I am most grateful to all our donors for their loyalty and continuing support, without which we would not exist.



THE RT HON THE LORD LAWSON

Chairman

11th January

2012

THE GLOBAL WARMING POLICY FOUNDATION

TRUSTEES' ANNUAL REPORT

Year ended 31 July 2011

Creation

The Global Warming Policy Foundation ("the Foundation") was incorporated as a company limited by guarantee with no share capital. The Foundation is registered as a charity under reference 1131448.

Governing instrument

The governing instruments are the Memorandum and Articles of Association.

Objects

The Global Warming Policy Foundation is an all party and non-party think tank and an educational charity. Its main purpose is to advance the public understanding of global warming and of its possible consequences, and also of the measures taken or proposed to be taken in response to such warming.

Public benefit

The Trustees, having regard to the Public Benefit guidance published by the Charity Commission in accordance with section 4 of the Charities Act 2006, consider that the purpose and activities of the Foundation satisfy the requirements of the public benefit test set out in section 3 of the same act.

Protocol for the Acceptance of Gifts

The Trustees are satisfied that the self-denying ordinance contained in the Protocol for the Acceptance of Gifts laid down at the first meeting of the Board of Trustees to ensure the Foundation's independence from energy interests is being strictly observed.

Directors and trustees

The names of the directors who have served during the year are set out on page 2.

The directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees have control of the property and funds of the charity. The three subscribers to the Memorandum, being Lord Lawson, Lord Fellowes and Lord Donoughue, may serve as Trustees indefinitely. There should be at least three and not more than twelve Trustees and Trustees other than the founder Trustee shall hold office for a period of three years, but may be reappointed Trustee, provided that they do not act for more than two consecutive terms of office. Trustees may be appointed by ordinary resolution of the members.

At least three Trustee meetings must be held each year, during which a quorum is at least three Trustees.

Organisational structure

The Foundation has established a sub-committee to oversee matters concerning employees, salaries and financial and organisational matters on a day to day basis. Members of the sub-committee are Sir Martin Jacomb (Chairman), Lord Lawson and Sir James Spooner.

Recommendations are put forward to the Trustees at Trustee meetings.

Risk

The Trustees have identified the major risks to which the charity is exposed and have established systems and procedures to mitigate those risks.

THE GLOBAL WARMING POLICY FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 July 2011

Reserves

In line with the guidance issued by the Charity Commission, the Trustees have reviewed the need for reserves. The Trustees seek to apply all income in pursuance of the stated objects of the Fund as soon as is reasonably prudent, but are conscious that until the ongoing level of donations and subscriptions is known, sufficient reserves will be maintained to cover at least one year's anticipated expenditure.

The Trustees monitor the level of reserves held at each Trustees meeting.

Connected charities

There are no connected charities.

Financial review

During the year income totalled £158,008 (2010 - £503,302), as set out on page 9.

In accordance with the reserves policy stated above, reserves of unrestricted income funds amounting to £325,842 are being held until required.

Financial statements

Accounts are set out on pages 9 to 13. They have been drawn up in compliance with the Companies Act 2006 the relevant provisions of the Charities Act 1993 and the recommendations of the revised Statement of Recommended Practice: Accounting and Reporting by Charities, issued by the Charity Commissioner for England and Wales in 2005.

Audit exemption and special provisions

The trustees have taken advantage of the exemption from audit conferred by Section 477 of the Companies Act 2006 and the accounts for the year are unaudited.

This report is prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

On behalf of the Trustees



THE RT HON THE LORD LAWSON
Chairman

11 JAN 2012

THE GLOBAL WARMING POLICY FOUNDATION

DIRECTORS' REPORT

Year ended 31 July 2011

In our second full year of existence (from August 2010 to July 2011) we raised our profile and media presence considerably. We managed to set the agenda on i) the rising cost of green energy, and in particular wind power, ii) the shale gas revolution, and iii) Britain's unilateral carbon targets.

Partly as a result of our efforts, the public debate about climate and energy policies has become more questioning and less fervent, more pragmatic and less zealous.

Overall, we had excellent media coverage which helped to raise awareness among policy makers, opinion formers and the wider public about key problems with current climate policies. While the reporting of climate change issues markedly declined, energy policy issues became much more dominant, not least as a result of growing public and media opposition to the rising cost of green energy taxes.

An Oxford University study of climate change coverage in ten UK national newspapers (2009-2010) concluded that "The Global Warming Policy Foundation (GWPF) has had considerable success in getting their point of view across much of the media. They have been extensively quoted in the print media of all political colours" (James Painter, *Poles Apart: the International Reporting of Climate Scepticism*, University of Oxford, Reuters Institute for the study of Journalism, November 2011).

In September 2010, we published a detailed assessment by Andrew Montford of the Climategate inquiries into the conduct and integrity of scientists at the Climatic Research Unit of the University of East Anglia. The report found that all three inquiries had serious flaws, that they were rushed and seriously inadequate. In his foreword to the report, Lord Turnbull called on the Government to look at the serious criticisms of the IPCC and called for fundamental reform in the practice, governance and leadership of the IPCC.

In September, too, the Royal Society published a revised and toned down position paper on climate change. Its new climate guide is an improvement on its more alarmist 2007 pamphlet which caused an internal rebellion by 43 Fellows of the Society and triggered a review and subsequent revisions. The Royal Society also agreed with the GWPF that the warming trend of the 1980s and 90s has come to a halt in the last 10 years. The GWPF received wide media coverage both in the UK and internationally because the rebellion was linked to two members of our Academic Advisory Council. If this voice of moderation had been the Royal Society's position all along, its message to Government would have been more restrained and Britain's unilateral climate policy might not have been out of sync with the rest of the world.

On 19 October, Václav Klaus, the President of the Czech Republic, delivered the inaugural annual GWPF Lecture. In his lecture, President Klaus argued that today's widely accepted climate change doctrine is driven not so much by science as by a collectivist environmental ideology which has become a vehicle for extensive government intervention into all fields of life, endangering both human freedom and economic prosperity.

The UN's Cancun climate summit in December 2010 showed that there is no prospect whatever for a global and legally binding climate treaty. It postponed all real decisions and solidified the international deadlock. The stalemate was essentially confirmed by the outcome of the following year's UN meeting in Durban. The GWPF called on the Government to abandon its unilateral policy and to suspend all unilateral climate targets until such time as all other major nations have signed up to the same course.

In May, the GWPF published Matt Ridley's detailed report *The Shale Gas Shock* which assessed the shale gas revolution and its likely implications for UK and international energy and climate policies. Abundant and relatively cheap shale gas promises to lower the cost of gas relative to oil, coal, nuclear and renewables. It indefinitely postpones the exhaustion of fossil fuels and makes reducing emissions of carbon dioxide possible without raising energy prices. As one of the first independent studies on the shale gas revolution, the GWPF report received extensive worldwide media coverage.

Also widely reported was Turnbull's briefing paper, *The Really Inconvenient Truth* or "It Ain't Necessarily So", which was launched in the spring. In his briefing paper, Andrew Turnbull, the former Cabinet Secretary and Head of the Home Civil Service, called on MPs and ministers to consider more carefully the rising costs and economic risks of Britain's unilateral climate policies. In a dispassionate but devastating critique of current policies, Turnbull also outlined the many doubts and disagreements that exist about key IPCC assumptions.

THE GLOBAL WARMING POLICY FOUNDATION

DIRECTORS' REPORT (continued)

Year ended 31 July 2011

The media have become very receptive to our demand for energy bill transparency and has begun to highlight the rising burden of climate-related energy taxes. Throughout the year, numerous newspapers published critical articles by Trustees and members of the GWPF about the rising cost of green energy and its injurious impact on households and businesses

Government plans to construct thousands of wind farms have been thwarted by a growing tide of public opposition. In 2010/11, nearly half of all onshore wind farms in England and Wales were refused planning permission. The percentage of wind farms being refused planning permission has risen sharply in recent years. The media have given the GWPF indirect credit for highlighting the economic and environmental folly of wind farms and the public backlash.

In Britain and around the world, climate and green energy policies turned into considerable liabilities for policy makers and governments alike. The climate change campaign has become unpopular both in the UK and abroad. Voters have become increasingly hostile to green taxes because they artificially inflate energy and heating bills.

The economic climate for renewable energy subsidies has cooled sharply due to the recession, the public backlash and not least the shale gas revolution which is beginning to restrain investment in low-carbon energy projects.

The GWPF has helped to raise awareness about the deepening crisis of credibility due to both the costs of current climate policy and the uncertainties about some important aspects of climate science. As a result, the climate debate in Britain has become more sober, more realistic and less 'green'.

The significant evolution in the UK government's approach to climate policy, signalled by the Chancellor's speech of October 2010, occurred after the period covered in this report.


DR BENNY PEISER
11th Jan 2012

THE GLOBAL WARMING POLICY FOUNDATION

INDEPENDENT EXAMINER'S REPORT

Year ended 31 July 2011

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE GLOBAL WARMING POLICY FOUNDATION

I report on the accounts of the Trust for the year ended 31 July 2011, which are set out on pages 9 to 13

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act), as amended by s 28 of the Charities Act 2006 and that an independent examination is needed. I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to

- examine the accounts under section 43 of the 1993 Act, as amended,
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act and as amended, and
- to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

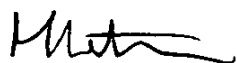
In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 41 of the 1993 Act, and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act

have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



M V WATERMAN FCA
Dixon Wilson
22 Chancery Lane
London WC2A 1LS

11 July 2012

THE GLOBAL WARMING POLICY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 July 2011

	Note	2011 £	2010 £
Income and expenditure			
Incoming resources			
Voluntary income – membership fees		14,330	8,186
Voluntary income – donations		140,834	494,625
Investment income – interest receivable		2,844	491
Total incoming resources		<u>158,008</u>	<u>503,302</u>
Resources expended			
Charitable activities	1	204,126	128,342
Governance costs	2	<u>1,500</u>	<u>1,500</u>
Total resources expended		<u>205,626</u>	<u>129,842</u>
Net (outgoing)/incoming resources		<u>(47,618)</u>	<u>373,460</u>
Net movement in funds for the year		(47,618)	373,460
Total funds brought forward		373,460	-
Total funds carried forward		<u>325,842</u>	<u>373,460</u>

All amounts are in respect of continuing operations

THE GLOBAL WARMING POLICY FOUNDATION

Company number: 06962749

BALANCE SHEET

At 31 July 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	3	<u>2,212</u>	<u>3,350</u>
Current assets			
Debtors – accrued income		1,316	484
Cash at bank		<u>332,060</u>	<u>377,940</u>
		<u>333,376</u>	<u>378,424</u>
Creditors: amounts falling due within one year			
Other creditors		1,785	-
Accrued expenses and deferred income	4	<u>7,961</u>	<u>8,314</u>
		<u>9,746</u>	<u>8,314</u>
Net current assets		<u>323,630</u>	<u>370,110</u>
Total net assets		<u>325,842</u>	<u>373,460</u>
Represented by			
Unrestricted funds		<u>325,842</u>	<u>373,460</u>

Trustees' statement

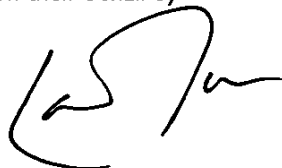
For the year ended 31 July 2011, the Foundation was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the Foundation to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions of provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006

The financial statements on page 9 to 13 were approved by the Trustees on 11th January 2012 and signed on their behalf by



THE RT HON THE LORD LAWSON
Chairman

THE GLOBAL WARMING POLICY FOUNDATION

ACCOUNTING POLICIES

Year ended 31 July 2011

The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 2006 and with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005). The particular accounting policies adopted are described below.

Basis of accounting

These financial statements have been prepared under the historical cost convention.

Fixed assets and depreciation

A full year's depreciation is provided on fixtures and fittings and equipment at rates calculated to write off the cost of the assets, less residual value, over their expected useful life as follows:

Fixtures and fittings	–	20% straight line basis
Computer equipment	–	33 33% straight line basis

Incoming resources

Receipts in respect of membership fees are carried forward to the extent they relate to years after the year end. All donations are recognised in the accounting period in which they are received.

Resources expended

Expenditure is recognised on an accruals basis.

THE GLOBAL WARMING POLICY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2011

1. Charitable activities	2011 £	2010 £
Publications, publicity and printing	29,176	5,564
Wages and salaries	115,587	58,550
Employer's national insurance contributions	10,496	4,466
Office costs	26,323	20,568
Other support costs	20,701	37,586
Depreciation	1,843	1,608
	<u>204,126</u>	<u>128,342</u>

The average number of employees during the year was three (2010 – two)

2. Governance costs

Accountancy fees	<u>1,500</u>	<u>1,500</u>
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3. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 August 2010	334	4,624	4,958
Additions	-	705	705
At 31 July 2011	<u>334</u>	<u>5,329</u>	<u>5,663</u>
Depreciation			
At 1 August 2010	67	1,541	1,608
Charge for the year	67	1,776	1,843
At 31 July 2011	<u>134</u>	<u>3,317</u>	<u>3,451</u>
Net book value			
At 31 July 2011	<u>200</u>	<u>2,012</u>	<u>2,212</u>
At 31 July 2010	<u>267</u>	<u>3,083</u>	<u>3,350</u>

THE GLOBAL WARMING POLICY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2011

4. Accrued expenses and deferred income	2011 £	2010 £
Accruals	1,500	1,500
Deferred income	6,461	6,814
	<u>7,961</u>	<u>8,314</u>

5. Trustees

Trustees are not remunerated

During the year, the Rt Hon The Lord Lawson was reimbursed £3,470 (2010 - £1,306) with regards to fundraising expenses

6. Tax

The company does not have any taxable sources of income and is therefore tax exempt.
