



**WORLD COAL ASSOCIATION
(FORMERLY WORLD COAL INSTITUTE)**

**FINANCIAL STATEMENTS
for the year ended 30 September 2010**

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WORLD COAL ASSOCIATION LIMITED

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WORLD COAL ASSOCIATION LIMITED

Report of the Directors For the year ended 30 September 2010

- 1 The Directors present herewith their Report and the audited accounts of the Association for the year ended 30 September 2010.

Principal activities

- 2 The Association 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 WCA 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 Association 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 Association such amount as may be required, not exceeding £1.

Management of Risk

- 4 The directors manage the liquidity of the Association in order to meet its obligations as they become due. The Association'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 £38,965 for the year ended 30 September 2010 which when added to the cumulative deficit brought forward of £28,770 results in a net profit of £10,195 at 30 September 2010. It is the intention of the Directors' to build up a surplus of £30,000 during 2011.

In the 2010 calendar year the World Coal Association held two full meetings of members (in Sydney, Australia 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 Association has Consultative Status Category II to the United Nations Economic and Social Council, and Consultative Status to the UN Industrial Development Organisation. The Association continues to follow the ongoing negotiations under the UN Framework Convention on Climate Change, and attended the relevant annual and intersessional meetings of the UN Framework Convention on Climate Change and the Kyoto Protocol on Climate Change.

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

The World Coal Association continued to update material on its website on a regular basis, including the interactive map of CCS projects, fact cards covering coal statistics and associated topics, and case studies on projects in the coal industry, covering environmental issues and community engagement. WCA produced three issues of its newsletter Ecoal (December 09, March 10 and June 2010).

WORLD COAL ASSOCIATION LIMITED

Report of the Directors (continued) For the year ended 30 September 2010

Membership

- 6 Membership is open to all coal enterprises. At 30 September 2010 membership stood at 16 companies, 18 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:

ASSOCARBONI
Association of British Mining Equipment Co
Association of UK Coal Importers
Associação Brasileira do Carvão 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
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 Mornsh
Mr A A Sealey
Mr J M Slater

The following changes to Membership have occurred in the period from 1 October 2010 to the date of this Report

(a) Additional

Full Corporate Members: Shenhua

29 October 2010

Associate Members: NONE

(b) Lapsed:

Full Corporate Members: NONE

Associate Members: American Coal Ash Association

09 March 2010

WORLD COAL ASSOCIATION LIMITED**Report of the Directors (continued)
For the year ended 30 September 2010**

Directors

7 The Articles of Association provide for each member of the Association to appoint a director and alternate director if the member wishes to do so. The Board* at 30 September 2010 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	
ARCH COAL	J Eaves	D Slone
BHP BILLITON ENERGY COAL	M Dreyer	C Lelong
BHP BILLITON MITSUBISHI ALLIANCE	M Bastos	R Williams
CARBONES DEL CERREJON	L Tercher	L G Meneses
COAL INDIA LMT	N Chandra	A Deshmukh
CONSOL ENERGY INC	N Delulis	
GLENCORE INTERNATIONAL AG	T Peterson	
JOY GLOBAL INC	M Sutherlin	S Stephens
MITSUBISHI DEVELOPMENT PTY LTD	D Isles	Y Doida
PEABODY ENERGY	F Palmer	C Sumner
RIO TINTO LIMITED	D Ritchie	A Zapantis
SOLID ENERGY NEW ZEALAND LTD	D Elder	A Brown
TOTAL SA	G Barztkowiak	J-P Junqua
XSTRATA COAL	P Freyberg	
WORLD COAL ASSOCIATION	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 2009 to 30 September 2010*

BHP Billiton Energy coal	G Kellow	01 November 2009
BHP Billiton Energy coal	J Beere	30 November 2009
Total SA	D Bourgues	01 December 2009
Peabody Energy	G Boyce	05 May 2010
Rio Tinto Energy	P Chiaro	01 November 2009
Anglo Coal	S Pillay	24 August 2010

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

WORLD COAL ASSOCIATION LIMITED

Report of the Directors (continued) For the year ended 30 September 2010

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 -	Steven Winberg Kaoru Yamanaka Julian Beere Norman Mbazima		22 October 2010 30 November 2010 30 November 2010 23 November 2010
(b) Resignations -	Dudley Isles Roger Wicks		30 November 2010 30 November 2010
(c) Honorary Members -	Roger Wicks		30 November 2010

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

COMPANY NAME CHANGES

At the 25th Annual General Meeting in Australia it was resolved that the name of the World Coal Institute (WCI) would be changed to World Coal Association (WCA) with effect from the 12th June 2010.

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

Menzies was appointed as auditor for these accounts by resolution at the Annual General Meeting on 7 May 2010. 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 2011.

Special Provisions of the Companies Act 2006

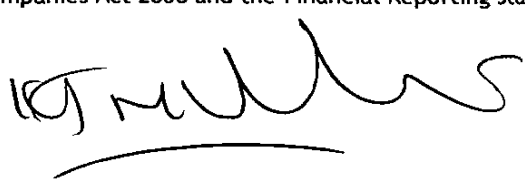
9. The financial statements have been prepared in accordance with the special provisions relating to small companies of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities.

BY ORDER OF THE BOARD

Karen Millner

Company Secretary

Date.



16 June 2011

WORLD COAL ASSOCIATION LIMITED

Statement of Directors' Responsibilities For the year ended 30 September 2010

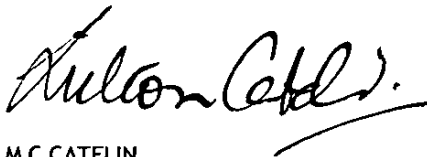
Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- 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 16/06/11

WORLD COAL ASSOCIATION LIMITED

Independent Auditor's Report To The Members of World Coal Association Limited For the year ended 30 September 2010

We have audited the financial statements of World Coal Association Limited for the year ended 30 September 2010 on pages 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (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 AUDITOR

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 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 (APB'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 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 2010 and of its profit 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 MATTERS 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

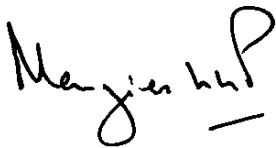
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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

WORLD COAL ASSOCIATION LIMITED

**Independent Auditor's Report To The Members of World Coal
Association Limited (continued)
For the year ended 30 September 2010**

- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Lynton House
7 - 12 Tavistock Square
London
WC1H 9LT

20 June 2011

RICHARD WATSON FCCA (Senior
Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

WORLD COAL ASSOCIATION LIMITED

Income and Expenditure Account For the year ended 30 September 2010

	Note	2010 £ sterling	2009 £ sterling
Income			
Subscriptions	2	892,129	871,406
Other Income		205	60,800
Interest income		187	3,136
		<u>892,521</u>	<u>935,342</u>
TOTAL			
Expenditure			
Accommodation		91,165	87,245
Council Tax		16,734	14,097
Office Costs		27,815	47,256
Depreciation of Office Equipment		966	-
Depreciation- Fixtures and Fittings		9,509	9,509
Depreciation -Furniture		1,770	2,359
Staff Costs	4	541,587	491,357
Travel & Subsistence		70,159	70,903
Entertainment		3,269	3,150
Cost of Meetings		32,229	29,698
Legal & Professional Costs		1,916	2,390
Accounting & Tax Fees		9,590	9,337
Audit Fee - Current year		8,500	9,000
Publications & Website		35,256	100,880
Bad debts written off		3,040	9,268
		<u>853,505</u>	<u>886,449</u>
TOTAL			
Surplus/(Deficit) on ordinary activities before taxation		<u>39,016</u>	<u>48,893</u>
Taxation	5	<u>(51)</u>	<u>(659)</u>
Surplus/ (Deficit) for the year after taxation		<u>38,965</u>	<u>48,234</u>

All amounts above relate to continuing operations.

WORLD COAL ASSOCIATION LIMITED

Balance Sheet As at 30 September 2010

	Note	2010 £ sterling	2009 £ sterling
Fixed Assets			
Tangible fixed assets	6	12,473	21,819
Current Assets			
Debtors - amounts falling due within one year	7	412,060	437,931
Cash at bank & in hand		577,919	450,655
		<u>989,979</u>	<u>910,405</u>
Creditors - amounts due within one year	8	(989,389)	(936,307)
Current (Liabilities)		<u>13,063</u>	<u>(25,902)</u>
Provisions for liabilities	9	(2,868)	(2,868)
Net (Liabilities)		<u>10,195</u>	<u>(28,770)</u>
Reserves			
Income & expenditure account	12	<u>10,195</u>	<u>(28,770)</u>

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 June 2011
and signed on its behalf by



M C Catelin
Chief Executive

Date 16 June 2011

Registered Number. 1947623

The notes on pages 10 to 15 form part of these accounts.

WORLD COAL ASSOCIATION LIMITED

Notes to the financial statements For the year ended 30 September 2010

(1) Principal accounting policies

(a) Accounting convention and basis of preparation

The financial statements for the year ended 30 September 2010 were authorised for issue by the Board of Directors on 7th June 2011

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

In the year to 31 December 2010 £89,045 (2009 £869,623) of the company's income was to markets outside the United Kingdom

(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 Association is subject to tax on interest received only

(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

WORLD COAL ASSOCIATION LIMITED

Notes to the financial statements (continued) For the year ended 30 September 2010

(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>2010</u>	<u>2009</u>
	£ sterling	£ sterling
Subscription income	892,129	871,406

An amount totalling £961,931 was invoiced to Members on 1 July 2010 being subscriptions for the period 1 October 2010 to 30 September 2011

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

	2010	2009
	£ sterling	£ sterling
Surplus/(deficit) on ordinary activities before taxation is stated after charging		
Hire of office equipment, operating leases	5,313	4,214
Annual office rent	85,690	85,620
Audit fees	8,500	9,000
	99,503	98,834

(4) Staff costs

	2010	2009
	£ sterling	£ sterling
Wages & salaries	426,287	405,427
Social security costs	51,031	47,993
Pension costs - defined contribution schemes	34,265	31,552
Other staff costs, recruitment & relocation	30,004	6,385
Staff costs - operating expenses	541,587	491,357

(The average number of staff during the year was 5 (2009 5))

Directors' Emoluments (including pension contributions)

	2010	2009
	£ sterling	£ sterling
Emoluments of the Chief Executive		
MC Catelin	333,129	288,156

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 (2009 £nil). No expenses were incurred by the current Chairman, Don Elder on World Coal Association activities (2009. £nil)

WORLD COAL ASSOCIATION LIMITED

Notes to the financial statements (continued) For the year ended 30 September 2010

(5) Tax on surplus on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows	2010 £	2009 £
Current tax:		
UK corporation tax at 21 % (2009 - 21%)	39	659
Tax under provided in previous years	<u>12</u>	-
Tax on profit on ordinary activities	<u>51</u>	<u>659</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% (2009 - 20.5%).
The differences are reconciled below

	2010 £	2009 £
Surplus/(Deficit) on ordinary activities before tax	39,016	48,234
Surplus/(Deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2009 - 21%)	8,193	10,129
Expenses not deductible/(income not taxable)	(8,154)	(9,470)
Tax under provided in previous years	<u>12</u>	-
Total current tax	<u>51</u>	<u>659</u>

WORLD COAL ASSOCIATION LIMITED

Notes to the financial statements (continued) For the year ended 30 September 2010

(6) <u>Tangible Fixed Assets</u>	<u>Fixtures and Fittings</u> £ sterling	<u>Furniture</u> £ sterling	<u>Total</u> £ sterling
Cost			
At 1 October 2009	28,366	21,023	49,389
Additions	-	2,899	2,899
Disposals	-	-	-
At 30 September 2010	28,366	23,922	52,288
Depreciation:			
At 1 October 2009	13,625	13,945	27,570
Disposals	-	-	-
Charge for the period	9,509	2,736	12,245
At 30 September 2010	23,134	16,681	39,815
Net book value			
At 30 September 2010	5,232	7,241	12,473
At 30 September 2009	14,741	7,078	21,817
(7) <u>Debtors - amounts falling due within one year</u>		2010 £ sterling	2009 £ sterling
Subscriptions Receivable, net of provision for doubtful debt		336,077	381,515
Prepayments & accrued income		40,070	22,605
Value Added Tax		10,346	6,578
Other debtors		417	2,083
Rent deposit		25,150	25,150
		412,060	437,931
(8) <u>Creditors - amounts falling due within one year</u>		2010 £ sterling	2009 £ sterling
PAYE/NI		-	15,993
Sundry Creditors & Accruals		27,418	25,164
Subscriptions: charged in advance		961,931	892,129
Corporation Tax		40	3,021
		989,389	936,307

WORLD COAL ASSOCIATION LIMITED

Notes to the financial statements (continued) For the year ended 30 September 2010

(9) <u>Provisions for liabilities</u>	2010	2009
	£ sterling	£ sterling
At 1 October 2009	2,868	-
Arising during the year	-	2,868
At 30 September 2010	<u>2,868</u>	<u>2,868</u>

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.

(10) Lease commitments

At 30 September 2010 the company had annual commitments under non-cancellable operating leases as set out below:

	2010		2009	
	£ sterling		£ sterling	
	Land and Buildings	Other	Land and Buildings	Other
Operating leases which expire:				
Within one year	42,810	-	-	2,016
In the second to fifth years	-	-	85,620	-
Inclusive	<u>42,810</u>	<u>-</u>	<u>85,620</u>	<u>2,016</u>

(11) Liability of members

The Association 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.

(12) Reconciliation of movements in Members' funds

	2010	2009
	£ sterling	£ sterling
Surplus/(deficit) for the financial year	<u>38,965</u>	<u>48,234</u>
Increase/(decrease) to Members' funds	<u>38,965</u>	<u>48,234</u>
Opening Members' funds	(28,770)	(77,004)
Closing Members' funds	<u>10,195</u>	<u>(28,770)</u>

WORLD COAL ASSOCIATION LIMITED

Notes to the financial statements (continued) For the year ended 30 September 2010

(14) Movement in reserves

At 1 October 2009	£ sterling (28,770)
Surplus for the year	38,965
At 30 September 2010	<hr/> 10,195

(15) Related parties

Due to the nature of the association all income is derived from its members