

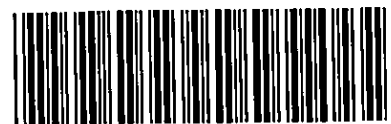


**WORLD COAL INSTITUTE**

**FINANCIAL STATEMENTS  
for the year ended 30 September 2007**

**REGISTERED NO: 1947623**

**FRIDAY**



**\*AKA100X2\***  
A19 27/06/2008 242  
COMPANIES HOUSE

**INDEX**

**Pages**

Report of the Directors

1 - 4

Statement of Directors' Responsibilities

5

Report of the auditors

6 - 7

Income and expenditure account

8

Balance Sheet

9

Notes to the Financial Statements

10 - 12

## Report of the Directors

1. The Directors present herewith their Report and the audited accounts of the Institute for the year ended 30 September 2007

### Principal activities

2. The Institute is a non-governmental, non-profit making worldwide industry association of coal enterprises. Its key objectives are to promote coal as a strategic resource, to promote the role of clean coal technologies in improving the environmental performance of coal, and to provide a forum for the exchange of information and discussion of issues affecting the global coal industry. Through contacts with official bodies, consumers and other interested parties, the WCI aims to strengthen the understanding of coal's contribution to energy security, social & economic development, and to demonstrate its improving environmental performance.

### Liability of members

3. The World Coal Institute is a company limited by guarantee. In the event the company is wound up as a result of insolvency, each member undertakes to contribute to the assets of the Institute such amount as may be required, not exceeding £1.

### Review of activities and future developments

4. In the 2007 calendar year the World Coal Institute held two full meetings of members (in Cartagena, Colombia and Belgium). Worldwide developments affecting the coal industry, and the general direction of the work of the Institute, were discussed at these meetings.

The World Coal Institute has Consultative Status Category II to the United Nations Economic and Social Council, and Consultative Status to the UN Industrial Development Organisation. The Institute continues to follow the ongoing negotiations under the UN Framework Convention on Climate Change, and attended the 13<sup>th</sup> Conference of the Parties/3<sup>rd</sup> Meeting of the Parties in Bali during December 2007.

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

The World Coal Institute published four new documents, "Coal & Steel", "Storing CO<sub>2</sub> Underground", "Coal Meeting the Climate Challenge" and "Key Elements of a Post-2012 Agreement on Climate Change". It continues to update its other publications, including its educational 'fact cards' covering a wide range of coal statistics and associated topics. The Institute published four editions of its newsletter, Ecoal, and continues to update the website on a regular basis.

Membership

- 5 Membership is open to all coal enterprises. At 30 September 2007 membership stood at 18 companies, 15 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  
Carbones del Zulia  
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  
Store Norske Spitsbergen Grubeкомпани A/S  
Total SA  
Xstrata Coal

**Associate Members:**  
Association of British Mining Equipment Co  
Association of UK Coal Importers  
Associacao Brasileira do Carvao Mineralz  
Australian Coal Association  
Camara Asomineros  
Coal Association of Canada  
Coal Association of New Zealand  
Confederation of UK Coal Producers  
German Hard Coal Association  
Indonesian Coal Mining Association  
National Mining Association  
Philippine Chamber of Coal Mines Inc  
Shaanxi Coalfields Geological Bureau  
Svenska Kolinstitutet  
UCG Partnership Limited

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

The following changes to Membership have occurred in the period from 1 October 2007 to the date of this Report

- (a) Additional

**Full Corporate Members:** None

**Associate Members**

ASSOCARBONI	08 October 2007
Iranian Mines & Mining Industries	07 November 2007

- (b) Lapsed

**Full Corporate Members:** None

**Directors**

6 The Articles of Association provide for each member of the Institute to appoint a director and alternate director if the member wishes to do so. The Board\* at 30 September 2007 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	J Wallington
ARCH COAL	J Eaves	D Slone
BHP BILLITON ENERGY COAL	G Kellow	J Beere
BHP BILLITON MITSUBISHI ALLIANCE	J Smith	R Williams
CARBONES DEL CERREJON	L Teicher	L G Meneses
CARBONES DEL ZULIA		
COAL INDIA LMT	S Kumar	K Ranganath
CONSOL ENERGY INC	P Lilly	
GLENORE INTERNATIONAL AG	T Peterson	
JOY GLOBAL INC	M Sutherland	A D Johnson
MITSUBISHI DEVELOPMENT PTY LTD	S Tamaru	N Tsubonuma
PEABODY ENERGY	F Palmer	
RIO TINTO LIMITED	P Chiaro	A Zapantis
SOLID ENERGY NEW ZEALAND LTD	D Elder	A Brown
STORE NORSKE SPITSBERGEN GRUBEKOMPANI A/S	N B Tokheim	D I Brekke
TOTAL SA	D De Bourgues	F Bautin
XSTRATA COAL	P Coates	C Whyte
WORLD COAL INSTITUTE	M C Catelin (Chief Executive)	
HONORARY MEMBERS	K-H Bund	
	J C Farrell	
	E M Massey	
	J H Mornsh	
	A A Sealey	
	J M Slater	

The following members resigned or otherwise ceased to be members of the Board during the year 1 October 2006 to 30 September 2007

Ah Hoo Chia	27 July 2007
Mahomed Seedat	31 March 2007
Rodolfo Colmenares	1 February 2007
Joseph Brett Harvey	31 May 2007

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

The following changes to the Board have occurred in the period from 1 October 2007 to the date of this Report

<u>NOMINATING MEMBER COMPANY</u>	<u>DIRECTOR</u>	<u>ALTERNATE DIRECTOR</u>	<u>EFFECTIVE DATE**</u>
(a) Appointments -			
Joy Global Inc		S Stephens	15 January 2008
(b) Resignations -			
TOTAL SA	F Bautin		12 October 2007
Joy Global Inc	A D Johnson		31 December 2007
Xstrata Coal	P Coates		14 January 2008

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

**COMPANY NAME CHANGES:**

None to report

**Auditors**

**7 Disclosure of information to the auditors**

In accordance with the Companies Audit, Investigations and Enterprise Act 2004, so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Ernst and Young LLP were appointed as auditors for these accounts by resolution at the Annual General Meeting on 15 May 2007. A resolution on the appointment of auditors for the financial year ended 30 September 2008 will be put to the members at the Annual General Meeting on 30 May 2008

**Special Provisions of Part VII of the Companies Act 1985**

**8 The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities**

BY ORDER OF THE BOARD



Karen Milliner  
Company Secretary

Date 30 5.08

### Statement of Directors' Responsibilities

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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether any applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. 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 30/5/08

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

We have audited the company's financial statements for the year ended 30 September 2007 which comprise the primary financial statements such as the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for the preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP

Ernst & Young LLP  
Registered auditor  
London

Date 19 June 2008

**Income and Expenditure Account for the year ended 30 September 2007**

	Note	2007 £ sterling	2006 £ sterling
<b>Income</b>			
Subscriptions	2	846,321	729,789
Interest income		11,894	8,936
<b>TOTAL</b>		<u>858,215</u>	<u>738,725</u>
<b>Expenditure</b>			
Accommodation		38,079	50,347
Council Tax		8,047	15,257
Office Costs		59,156	64,172
Office Equipment		-	1,487
Depreciation- Fixtures and Fittings		7,466	6,256
Depreciation -Furniture		3,617	4,823
Staff Costs	4	459,021	330,469
Travel & Subsistence		127,341	112,337
Entertainment		3,017	3,179
Cost of Meetings		15,658	11,034
Legal & Professional Costs		4,259	10,810
Accounting & Tax Fees		9,285	5,270
Audit Fee - current year		4,600	4,000
Publications & Website		116,754	101,815
Provision for doubtful debts		-	16,726
<b>TOTAL</b>		<u>856,300</u>	<u>737,982</u>
Surplus on ordinary activities before taxation		1,915	743
Taxation	5	<u>(1,915)</u>	<u>(743)</u>
<b>Result for the year after taxation</b>		<u>0</u>	<u>0</u>

All amounts above relate to continuing operations

The Company has no recognised gains and losses other than the surplus/loss above and therefore no separate statement of total recognised gains and losses has been presented

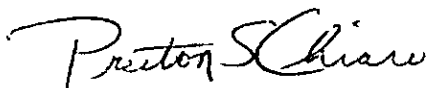
The notes on pages 10 to 12 form part of these accounts

Balance Sheet - at 30 September 2007

	Note	2007 £ sterling	2006 £ sterling
<b>Fixed Assets</b>			
Tangible fixed assets	6	14,117	25,200
<b>Current Assets</b>			
Debtors - amounts falling due within one year	7	26,674	18,808
Cash at bank & in hand		235,519	431,282
		<hr/>	<hr/>
		276,310	475,290
Creditors - amounts due within one year	8	(276,310)	(475,290)
<b>Current Assets/(Liabilities)</b>		<hr/>	<hr/>
		0	0
<b>Reserves</b>			
Income & expenditure account		<hr/>	<hr/>
		0	0

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (FRSSE effective January 2007)

Approved by the Board of Directors on 30 May 2008  
and signed on its behalf by.



Director

The notes on pages 10 to 12 form part of these accounts

Notes to the Financial Statements - for the year ended 30 September 2007

(1) Principal accounting policies

(a) Accounting convention

The accounts are prepared under the historical cost convention and are in accordance with applicable UK accounting standards

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement

(b) Subscriptions

Subscription income, which is stated net of value added tax, is recognised in the period to which it relates. Any excess of the current period subscription income over expenses in the same period is carried forward to cover the expenses arising in future periods. Subscriptions are invoiced to the members in £ sterling

(c) Depreciation

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

Fixture and Fittings- over the period of the lease  
Furniture- 25% pa reducing instalment basis

(d) Taxation

The charge for taxation is based on the result for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise

(e) Operating Leases

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

(f) Pension Costs

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

(g) Interest Income

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

(2) Subscriptions and special contributions

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

	<u>2007</u>	<u>2006</u>
	£	£
Subscription income	846,321	729,789

An amount totalling £835,715 was invoiced to Members on 1 September 2007 being subscriptions for the period 1 October 2007 to 30 September 2008

(3) <u>Surplus on ordinary activities before taxation</u>	2007 £ sterling	2006 £ sterling
Surplus on ordinary activities before taxation is stated after charging		
Hire of office equipment, operating leases	5,600	4,973
Annual office rent	47,825	44,562
Office equipment expensed	-	1,487
Audit fees	4,600	4,000
	<u>58,025</u>	<u>55,022</u>

(4) <u>Staff costs</u>	2007 £ sterling	2006 £ sterling
Wages & salaries	370,320	273,307
Social security costs	43,861	30,909
Pension costs	25,525	23,573
Other staff costs, recruitment & relocation	19,315	2,680
Staff costs - operating expenses	<u>459,021</u>	<u>330,469</u>

(The average number of staff during the year was 4 (2006 3))

Directors' Emoluments (including pension contributions)

	2007 £ sterling	2006 £ sterling
Emoluments of the Chief Executive MC Catelin	<u>238,824</u>	<u>168,901</u>

With the exception of the emoluments of the Chief Executive who, in accordance with the Articles of Association, is Ex Officio a Director, none of the Board of Directors received any remuneration for their services to the company (2006 £nil) No expenses were incurred by the current Chairman, Preston Chiaro on World Coal Institute activities (2006 £nil)

(5) <u>Tax on surplus on ordinary activities</u>	2007 £ sterling	2006 £ sterling
UK Corporation Tax at 20% (2006 at 0%)	<u>1,915</u>	<u>743</u>
	<u>1,915</u>	<u>743</u>

(6) <u>Tangible Fixed Assets</u>	<u>Fixture and Fittings</u> £ sterling	<u>Furniture</u> £ sterling	<u>Total</u> £ sterling
Cost			
At 1 October 2006	16,989	19,290	36,279
Additions	-	-	-
Disposals	-	-	-
At 30 September 2007	<u>16,989</u>	<u>19,290</u>	<u>36,279</u>
Depreciation			
At 1 October 2006	6,256	4,823	11,079
Charge for the period	7,466	3,617	11,083
At 30 September 2007	<u>13,722</u>	<u>8,440</u>	<u>22,162</u>
Net book value			
At 30 September 2007	3,267	10,850	14,117
AT 30 September 2006	10,733	14,467	25,200

(7) <u>Debtors - amounts falling due within one year</u>	2007 £ sterling	2006 £ sterling
Prepayments & accrued income	13,157	15,255
Value Added Tax	7,808	3,553
Other debts	5,709	-

	26,674	18,808
(8) <u>Creditors - amounts falling due within one year</u>	2007	2006
	£ sterling	£ sterling
Sundry Creditors & Accruals	20,075	22,181
Subscriptions charged in advance	254,320	436,626
PAYE/NI	-	15,740
Corporation Tax	1,915	743
	276,310	475,290

(9) Lease commitments

At 30 September 2007 the company had annual commitments under non-cancellable operating leases as set out below

	2007		2006	
	£ sterling		£ sterling	
	Land and Buildings	Other	Land and Buildings	Other
Operating leases which expire				
Within one year	20,890	5,600	47,825	5,600
In the second to fifth years Inclusive	-	10,311	28,090	11,643
Over five years	-	-	-	-
	20,890	15,911	75,915	17,243

\* The company continues with the current lease at an annual rent of £47,825, payable quarterly, which runs to March 2008, service charges linked to this lease are currently £8,396

(10) Liability of members

The Institute is a company limited by guarantee. In the event that the company is wound up as a result of insolvency, each member undertakes to contribute to the assets of the Institute such amount as may be required, not exceeding £1