



WORLD COAL ASSOCIATION

(A company limited by guarantee and not having a share capital)

**FINANCIAL STATEMENTS
for the year ended 30 September 2011**



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**Report of the Directors
For the year ended 30 September 2011**

- 1 The Directors present herewith their Report and the audited accounts of the Association for the year ended 30 September 2011

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 Association 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. Due to the bad debt provision of £40,000 with regards to Coal India's unpaid membership fees, a surplus of £56,288 has been reduced to £16,292 after tax for the year ended 30 September 2011 which when added to the cumulative surplus brought forward of £10,195 results in a surplus of £26,487 at 30 September 2011. It is the intention of the Directors' to build up a cumulative surplus of £85,000 by 30 September 2012.

In the 2011 calendar year the World Coal Association held two full meetings of members (in Beijing, China and Brussels, Belgium). Worldwide developments affecting the coal industry, and the general direction of the work of the Association, 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 is a registered observer organization with 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 is an applicant for consultative status with the United Nations Environment Programme.

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. In addition WCA drafted reports and publications including a major report on energy poverty and sustainable development, launched various member communication tools and maintained contact with the press. WCA also produced case studies on projects in the coal industry, covering environmental issues and community engagement. WCA produced three issues of its newsletter Ecoal (January 11, August 11 and November 2011).

Membership

- 6 Membership is open to all coal enterprises. At 30 September 2011 membership stood at 19 companies, 21 national coal associations, and seven Honorary Members:

Full Corporate Members: PT Adaro
Anglo Coal
Arch Coal
BHP Billiton Energy Coal
BHP Billiton Mitsubishi Alliance
Carbones del Cerréjon
China Coal Group
Coal India Limited
CONSOL Energy Inc
Glencore International AG
Joy Global, Inc
Katowicki Holding
Mitsubishi Development Pty Ltd
Peabody Energy
Rio Tinto Limited
Shenhua Group
Solid Energy New Zealand Ltd
Total SA
Xstrata Coal

Associate Members American Coal Ash Association
ASSOCARBONI
Association of British Mining Equipment Co
Association of UK Coal Importers
Associacao Brasileira do Carvao Mineralz
Australian Coal Association
Camara Asomineros
China National Coal Association
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 Centre
National Mining Association
Philippine Chamber of Coal Mines Inc
Shaanxi Coalfields Geological Bureau
Svenska Kol Association
The European Cement Association

Honorary Members: Dr K-H Bund
Mr J C Farrell
Mr E M Massey
Mr J H Morrish
Mr A A Sealey
Mr J M Slater
Mr R Wicks

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 Group	10 November 2010
China Coal Group	30 September 2011
Katowicki Holding	30 September 2011
Caterpillar Global Mining	17 January 2012

Associate Members: China National Coal Association	06 April 2011
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(b) Lapsed

Full Corporate Members: None

7 Directors

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 2011 comprised

<u>NOMINATING MEMBER COMPANY</u>	<u>DIRECTOR</u>	<u>ALTERNATE</u>
PT ADARO INDONESIA	A B Grant	G Thohir
ANGLO COAL	N Mbazima	J Beere
ARCH COAL	J Eaves	D Stone
BHP BILLITON ENERGY COAL	M Dreyer	C Lelong
BHP BILLITON MITSUBISHI ALLIANCE	S Dumble	R Wilms
CARBONES DEL CERREJON	L Teicher	L G Meneses
CHINA NATIONAL COAL GROUP	An Wang	Qi Hegang
COAL INDIA LMT	N Chandra	A Deshmukh
CONSOL ENERGY INC	R King	S Winberg
GLENORE INTERNATIONAL AG	T Peterson	D Grunbaum
JOY GLOBAL INC	M Sutherland	S Stephens
KATOWICKI HOLDING	W Mroz	L Kurczabinski
MITSUBISHI DEVELOPMENT PTY LTD	K Yamanaka	Y Doida
PEABODY ENERGY	F Palmer	C Sumner
RIO TINTO LIMITED	D Ritchie	A Zapantis
SHENHUA GROUP	Z Xiuw	G Dazhao
SOLID ENERGY NEW ZEALAND LTD	D Elder	B Luff
TOTAL SA	G Barztkowiak	J Junqua
XSTRATA COAL	P Freyberg	M Buffier
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	
	R Wicks	

The following members resigned or otherwise ceased to be members of the Board during the year 1 October 2010 to 30 September 2011:

PT Adaro	E Tsang	08 March 2011
Anglo Coal	R S Wicks	06 December 2010
BHP Billiton Mitsubishi Alliance	M Bastos	08 March 2011
Mitsubishi Development Pty	D Isles	30 November 2011
Solid Energy	A Brown	12 April 2011

*Associate Members may not hold directorships of the World Coal Association 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 2010 to the date of this Report:

<u>NOMINATING MEMBER COMPANY</u>	<u>DIRECTOR</u>	<u>ALTERNATE DIRECTOR</u>	<u>EFFECTIVE DATE**</u>
(a) Appointments:-	Julian Beere		23 November 2010
	Robert King		22 October 2010
	Steven Winberg		12 November 2010
	Norman Mbazima		23 November 2010
	Kaoru Yamanaka		30 November 2010
	Zhang Xiuw		10 November 2010
	Gu Dazhao		10 November 2010
	Daniel Grunbaum		01 January 2011
	Stephen Dumble		24 February 2011
	Garibaldi Thohir		01 April 2011
	Bill Luff		12 April 2011
	Leon Kurczabinski		30 September 2011
	Waldemar Mroz		30 September 2011
	An Wang		30 September 2011
	Qi Hegang		30 September 2011
	Christopher Curfman		17 January 2012
	John Disharoon		17 January 2012
	Vincent Nicoletti		08 February 2012
	Chuck Hardoby		17 March 2012
	Tom Altmeyer		01 April 2012
	Keisuke Hoshino		01 April 2012
(b) Resignations -			
	R Wicks		06 December 2010
	M Bastos		08 March 2011
	E Tsang		08 March 2011
	A Brown		12 April 2011
	D Isles		30 November 2011
	C Lelong		07 February 2012
	J Eaves		31 March 2012
	K Yamanaka		31 March 2012
	R King		16 March 2012

** Date of appointment or resignation / advice of resignation

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 LLP were appointed as auditors for these accounts by resolution at the Annual General Meeting on 6th June 2011. A resolution on the appointment of auditors for the financial year ended 30 September 2012 will be put to the members at the Annual General Meeting on 24th May 2012.

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 Milliner
Company Secretary

Date 24 May 2012

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 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: 24 May 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD COAL ASSOCIATION

For the year ended 30 September 2011

We have audited the financial statements of World Coal Association for the year ended 30 September 2011 on pages 7 to 13. 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2011 and of its loss 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.

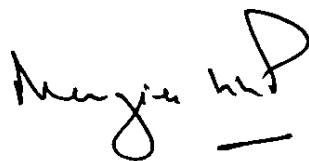
OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.



Lynton House
7 - 12 Tavistock Square
London
WC1H 9LT

18 June 2012

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

Income and Expenditure Account for the year ended 30 September 2011

	Note	2011 £ sterling	2010 £ sterling
Income			
Subscriptions	2	997,115	892,129
Other Income		-	205
Interest income		780	187
TOTAL		997,895	892,521
Expenditure			
Accommodation		90,955	91,165
Council Tax		19,737	16,734
Office Costs		34,460	27,815
Depreciation of Office Equipment		2,748	966
Depreciation- Fixtures and Fittings		5,232	9,509
Depreciation -Furniture		1,327	1,770
Staff Costs	4	602,768	541,587
Travel & Subsistence		83,764	70,159
Entertainment		5,188	3,269
Cost of Meetings		20,323	32,229
Legal & Professional Costs		3,497	1,916
Accounting & Tax Fees		11,983	9,590
Audit Fee - Current year		8,750	8,500
Publications & Website		50,711	35,256
Bad debts written off		-	3,040
Bad debt provision		40,000	-
TOTAL		981,443	853,505
Surplus/(Deficit) on ordinary activities before taxation		16,452	39,016
Taxation	5	(160)	(51)
Surplus/ (Deficit) for the year after taxation		16,292	38,965

All amounts above relate to continuing operations

Balance Sheet - at 30 September 2011

	Note	2011 £ sterling	2010 £ sterling
Fixed Assets			
Tangible fixed assets	6	9,477	12,473
Current Assets			
Debtors - amounts falling due within one year	7	212,198	412,060
Cash at bank & in hand		995,204	577,919
		<hr/>	<hr/>
		1,207,402	989,979
Creditors - amounts due within one year	8	(1,187,524)	(989,389)
Current Assets		<hr/>	<hr/>
		29,355	13,063
Provisions for liabilities	9	(2,868)	(2,868)
Net Assets		<hr/>	<hr/>
		26,487	10,195
Reserves			
Income & expenditure account	12	<hr/>	<hr/>
		26,487	10,195

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 24 May 2012
and signed on its behalf by



Frederick D Palmer
Chairman
24 May 2012
Registered Number 1947623

The notes on pages 9 to 13 form part of these accounts.

Notes to the Financial Statements - for the year ended 30 September 2011

(1) Principal accounting policies

(a) Accounting convention and basis of preparation

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 30 September 2011 89.2% 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
Office Equipment	-33% 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

(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

(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>2011</u>	<u>2010</u>
	£ sterling	£ sterling
Subscription income	997,115	892,129

An amount totalling £1,131,208 was invoiced to Members on 1 August 2011 being subscriptions for the period 1 October 2011 to 30 September 2012

(3) Surplus on ordinary activities before taxation

	2011	2010
	£ sterling	£ sterling
Surplus on ordinary activities before taxation is stated after charging		
Hire of office equipment, operating leases	5,180	5,313
Annual office rent	80,433	85,690
Audit fees	8,750	8,500
	<u>94,363</u>	<u>99,503</u>

(4) Staff Costs

	2011	2010
	£ Sterling	£ Sterling
Wages & salaries	501,440	426,287
Social security costs	61,431	51,031
Pension costs - defined contribution schemes	36,035	34,265
Other staff costs, recruitment & relocation	3,862	30,004
Staff costs - operating expenses	<u>602,768</u>	<u>541,587</u>

The average number of staff during the year was 5 (2010.5)

Directors' Emoluments (including pension contributions)

	2011	2010
	£ sterling	£ sterling
Emoluments of the Chief Executive		
MC Catelin	<u>390,410</u>	<u>333,129</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 (2010 £nil). No expenses were recharged by the current Chairman, Fred Palmer on World Coal Association activities (2010 £nil)

(5) Tax on surplus on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:	2011 £	2010 £
Current tax		
UK corporation tax at 20.5% (2010 21.5%)	160	39
Tax under provided in previous years	-	12
Tax on profit on ordinary activities	<u>160</u>	<u>51</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 20.5% (2010 - 21.5%)
The differences are reconciled below

	2011 £	2010 £
Surplus/(Deficit) on ordinary activities before tax	16,452	39,016
Surplus/(Deficit) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2010 - 21%)	3,373	8,193
Expenses not deductible/(income not taxable)	(3,213)	(8,154)
Tax under provided in previous years	-	12
Total current tax	<u>160</u>	<u>51</u>

(6) Tangible Fixed Assets

	<u>Fixtures and Fittings</u>	<u>Furniture</u>	<u>Office Equipment</u>	<u>Total</u>
	£ Sterling	£ Sterling	£ Sterling	£ Sterling
Cost				
At 1 October 2010	28,366	21,022	2,900	52,288
Additions	-	-	6,311	6,311
Disposals	-	-	-	-
At September 2011	28,366	21,022	9,211	58,599
Depreciation				
At 1 October 2010	23,134	15,715	966	39,815
Disposals	-	-	-	-
Charge for the period	5,232	1,327	2,748	9,307
At 30 September 2011	28,366	17,042	3,714	49,122
Net book value				
At 30 September 2011	-	3,980	5,497	9,477
At 30 September 2010	5,232	5,307	1,934	12,473

(7) Debtors - amounts falling due within one year

	2011	2010
	£ Sterling	£ Sterling
Subscriptions Receivable, net provision for doubtful debt	157,304	336,077
Prepayments & accrued income	19,950	40,070
Value Added Tax	9,794	10,346
Other debtors	-	417
Rent deposit	25,150	25,150
	212,198	412,060

(8) Creditors - amounts falling due within one year

	2011	2010
	£ Sterling	£ Sterling
Sundry Creditors & Accruals	56,749	27,418
Subscriptions charged in advance	1,130,615	961,931
Corporation Tax	160	40
	1,187,524	989,389

(9) Provisions for liabilities

	2011	2010
	£ Sterling	£ Sterling
At 1 October 2010	2,868	2,868
Arising during the year	-	-
At 30 September 2011	2,868	2,868

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 2014.

(10) Lease Commitments

At 30 September 2011 the company had annual commitments under non-cancellable operating leases as set out below.

	2011 £ Sterling Land & Buildings	2010 £ Sterling Land & Buildings
Operating leases which expire:		
Within one year	75,000	42,810
In the second to fifth years	112,500	-
Inclusive	187,500	42,810

(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 Association such amount as may be required, not exceeding £1

(12) Reconciliation of movements in Members' funds

	2011 £ Sterling	2010 £ Sterling
Surplus/ (deficit) for the financial year	16,292	38,965
Increase/ (decrease) to Members' funds	16,292	38,965
Opening Members' funds	10,195	(28,770)
Closing Members' funds	26,487	10,195

(13) Movement in reserves

	£ Sterling
At 1 October 2010	10,195
Surplus for the year	16,292
At 30 September 2011	26,487

(14) Related parties

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

There is no one controlling party of the association