

THE GLOBAL WARMING POLICY FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2012

THE GLOBAL WARMING POLICY FOUNDATION

I N D E X

Year ended 31 July 2012

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THE GLOBAL WARMING POLICY FOUNDATION

GENERAL INFORMATION

Year ended 31 July 2012

Charity Registration number	1131448
Company number	06962749
Directors and Trustees	The Rt Hon The Lord Lawson (Chairman) The Lord Donoughue The Rt Hon Lord Fellowes GCB GCVO QSO Rt Rev Peter Forster Sir Martin Jacomb Baroness Nicholson of Winterbourne Sir James Spooner (appointed 24 October 2012) The Lord Turnbull KCB CVO
Honorary Treasurer	Sir James Spooner
The Director	Dr Benny Peiser
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

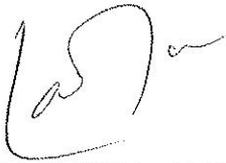
Year ended 31 July 2012

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

Our third year of existence, 2011-2012, was one of continued progress for the GWPF. This has been due in large measure to the excellence of our Director, Benny Peiser, whose own Report (see pages 6-7) describes a number of our achievements during the year.

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

Our progress has, as before, been all the more remarkable given that those bodies that promote the conventional wisdom enjoy funding a thousand times greater than ours. But although we believe in running a tight ship, the steady growth in our activities inevitably has to be financed; 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

29 November 2012

THE GLOBAL WARMING POLICY FOUNDATION

TRUSTEES' ANNUAL REPORT

Year ended 31 July 2012

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.

In addition, The Rt Hon The Lord Barnett and Henri Lepage served as directors until their resignation on 24 October 2012.

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 formally considered the major risks to which the charity is exposed. These will be regularly monitored and all necessary steps taken to mitigate them.

THE GLOBAL WARMING POLICY FOUNDATION

TRUSTEES' ANNUAL REPORT (continued)

Year ended 31 July 2012

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 £424,305 (2011 - £158,008), as set out on page 9.

In accordance with the reserves policy stated above, reserves of unrestricted income funds amounting to £505,910 are being held until required.

Financial statements

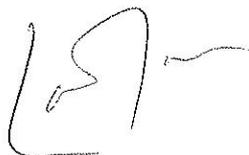
Accounts are set out on pages 9 to 13. They have been drawn up in compliance with the Companies Act 2006 the relevant provisions of the Charities Act 2011 and the recommendations of the revised Statement of Recommended Practice: Accounting and Reporting by Charities, issued by the Charity Commissioner 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

THE GLOBAL WARMING POLICY FOUNDATION

REPORT OF THE DIRECTOR

Year ended 31 July 2012

Since my last annual report, a significant shift in both Britain's and the EU's climate policies has been taking place. Government attempts to slow and reverse a whole range of climate and energy policies have accelerated considerably. The once solid party-political consensus on the climate change agenda has collapsed as many MPs and ministers are increasingly concerned about the economic costs of highly unpopular green schemes, subsidies and taxes. At the same time, there are growing divisions among EU member states about the future of Europe's climate and green energy targets.

Significant Policy Shift

The significant evolution in the UK government's approach to climate and green energy policies was signalled by the Chancellor's Autumn Statement. George Osborne warned that Europe's and the UK's unilateral climate targets threatened the economy and British businesses. He told MPs that he was worried about the combined impact of the green policies adopted not just in Britain, but also by the European Union. At the 2011 Conservative Party conference the Chancellor promised that the government would no longer cut CO₂ emissions in Britain faster than other EU member states. The UK's post-2020 targets are now conditional on international agreements and developments.

European Climate Policy Deadlock

The collapse of the EU carbon price, the dilution of energy efficiency targets, the apparent split over extending the Emissions Trading Scheme to aviation and the deadlock over green energy targets are indicative of Europe's rethinking of the climate change agenda.

Across Europe, governments are slashing public spending to cut their deficits, and green-energy subsidies are a target too. German policymakers have cut once-generous subsidies by as much as 29 percent, on top of a 15 percent cut in January. Britain and Italy have made similar moves, and in January, Spain abandoned its solar subsidies altogether, prompting outrage from the solar industry.

International Deadlock Solidifying

A global climate agreement appeared as far away as ever following inconclusive talks at UN summits in Durban and Bonn. Substantial progress at the next annual UN conference in Qatar with a final agreement scheduled for 2015 appears out of reach. The US is now taking a harder line, saying that any legally-binding international climate agreement is "not doable." After the progress claimed at Cancun - where the Copenhagen principles were enshrined in the UN process - both the US and the EU appear to be stepping back and saying the best hope for action might lie outside a binding UN treaty.

Shift In Public Opinion

Green campaigners and climate scientists are losing the public debate over global warming, according to NASA's veteran climate activist James Hansen. Recent surveys have confirmed that public support for costly climate policies has declined dramatically during the last few years.

A YouGov survey confirmed that in the UK just 43% think human activity is making the world warmer. This compares with 55% when the same question was asked in 2008. Older Britons are more sceptical about climate change than their peers in other countries, according to the first international survey of its kind. Almost a quarter - 23 per cent - of those aged 55 or above agreed or strongly agreed that many of the claims about environmental threats are exaggerated.

The Energy Bill

With the publication of its draft Energy Bill, the government has announced its intention to reverse even further the course of energy deregulation. The GWPF has submitted a memorandum to the Energy and Climate Change Select Committee in which we warned that the bill will almost certainly damage the UK economy. The Energy Bill constitutes a significant move towards a centrally planned energy economy with a high level of political control over which forms of energy generation will be favoured and which will be stifled.

THE GLOBAL WARMING POLICY FOUNDATION

REPORT OF THE DIRECTOR

Year ended 31 July 2012

Shale Gas Developments

In mid September 2011, an independent drilling company announced that it had discovered an estimated 200 trillion cubic feet of shale gas in the North West of England, near Blackpool. This discovery and other ones in different parts of the country suggest that Britain has considerably more shale gas resources than earlier estimates suggested. Britain may be sitting on a huge gold mine of cheap, abundant and comparatively clean energy that could supply the UK's energy needs for a century or more. In numerous articles, papers and debates throughout the year, members of the GWPF have highlighted the huge potential benefits of shale gas development for the British economy and the environment. In June 2012 a government-commissioned report by the Royal Academy of Engineering and the Royal Society confirmed that environmental risks of hydraulic fracking are minimal. The report said this method of extracting natural gas from shale should be given the go-ahead, subject to tight regulations and continuous monitoring of drilling sites.

Annual GWPF Lecture

Cardinal George Pell, the Roman Catholic Archbishop of Sydney, delivered the 2011 Annual GWPF Lecture ('One Christian Perspective on Climate Change') on 26 October in Westminster Cathedral Hall.

Professor Fritz Vahrenholt delivered the 2012 Annual GWPF Lecture ('Global Warming - Second Thoughts Of An Environmentalist') on 13 June 2012 at the Royal Society.

Both lectures were highly acclaimed and both have been published on the GWPF website.

GWPF reports 2011/12

Gordon Hughes: *The Myth of Green Jobs*. Foreword David Henderson (September 2011) - analyses the pitfalls of the idea of 'green job creation'.

Gordon Hughes: *Why is Wind Power so Expensive: An Economic Analysis*. Foreword Emma Nicholson (September 2011) - analyses the true cost of wind energy.

Ross McKittrick: *What is Wrong with the IPCC? Proposals for A Radical Reform*. Foreword John Howard (November 2011) - critically reviews the IPCC procedures and makes the case for a radical reform.

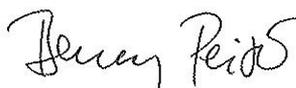
Christopher Booker: *The BBC and Climate Change. A Triple Betrayal*. Foreword Sir Antony Jay (December 2011) - critically reviews the BBC's coverage of climate change and documents its bias.

Andrew Montford: *Nullius in Verba: The Royal Society and Climate Change*. Foreword Richard Lindzen (February 2012) - documents the Royal Society's role in the climate change debates.

Indur Goklany: *Global Warming Policies Might be bad for your Health*. Foreword Paul Reiter (May 2012) - examines the consequences of global warming and global warming policies for public health.

Our reports are subjecting approaches to deal with global warming to dispassionate analysis based on hard evidence and economic rigour. The GWPF is the only educational charity in Britain that is trying to fill this educational gap. As a result, people now have available to them a much better and more academically robust range of material on these important issues. By doing so, the GWPF has strengthened public understanding and appreciation of global warming and environmental policies.

During the last year, the GWPF has continued to evolve into a highly effective and widely recognised educational organisation. Our only setback was a brief disruption of our website due to a hacking attempt. As a result, we now have a better, more secure and redesigned website. In the coming year our members and supporters will continue to see and read more about the growing impact of our research and educational work on the climate and energy debates.



DR BENNY PEISER

The Director

29 November 2012

THE GLOBAL WARMING POLICY FOUNDATION

INDEPENDENT EXAMINER'S REPORT

Year ended 31 July 2012

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

I report on the accounts of the company for the year ended 31 July 2012, which are set out on pages 9 to 13.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Act) 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.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- 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 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

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

4 December 2012

THE GLOBAL WARMING POLICY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 July 2012

	Note	2012 £	2011 £
Income and expenditure			
Incoming resources			
Voluntary income – membership fees		12,161	14,330
Voluntary income – donations		408,641	140,834
Investment income – interest receivable		3,503	2,844
Total incoming resources		<u>424,305</u>	<u>158,008</u>
Resources expended			
Charitable activities	1	242,737	204,126
Governance costs	2	1,500	1,500
Total resources expended		<u>244,237</u>	<u>205,626</u>
Net incoming/(outgoing) resources		<u>180,068</u>	<u>(47,618)</u>
Net movement in funds for the year		180,068	(47,618)
Total funds brought forward		325,842	373,460
Total funds carried forward		<u>505,910</u>	<u>325,842</u>

All amounts are in respect of continuing operations.

BALANCE SHEET

At 31 July 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	3	803	2,212
Current assets			
Debtors		20,930	1,316
Cash at bank and in hand		492,166	332,060
		513,096	333,376
Creditors: amounts falling due within one year			
Other creditors		1,660	1,785
Accrued expenses and deferred income	4	6,329	7,961
		7,989	9,746
Net current assets		505,107	323,630
Total net assets		505,910	325,842
Represented by:			
Unrestricted funds		505,910	325,842

Trustees' statement

For the year ended 31 July 2012, 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 29 November 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 2012

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 2012

1. Charitable activities	2012	2011
	£	£
Publications, publicity and printing	34,350	29,176
Wages and salaries	142,597	115,587
Employer's national insurance contributions	14,169	10,496
Office costs	30,556	26,323
Other support costs	19,101	20,701
Depreciation	1,964	1,843
	<u>242,737</u>	<u>204,126</u>

The average number of employees during the year was four (2011 – three).

2. Governance costs

Accountancy fees relating to independent examination	<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 2011	334	5,329	5,663
Additions	478	77	555
At 31 July 2012	<u>812</u>	<u>5,406</u>	<u>6,218</u>
Depreciation			
At 1 August 2011	134	3,317	3,451
Charge for the year	162	1,802	1,964
At 31 July 2012	<u>296</u>	<u>5,119</u>	<u>5,415</u>
Net book value			
At 31 July 2012	<u>516</u>	<u>287</u>	<u>803</u>
At 31 July 2011	<u>200</u>	<u>2,012</u>	<u>2,212</u>

THE GLOBAL WARMING POLICY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2012

4. Accrued expenses and deferred income	2012	2011
	£	£
Accruals	1,500	1,500
Deferred income	4,829	6,461
	<u>6,329</u>	<u>7,961</u>

5. Trustees

Trustees are not remunerated.

During the year, the Rt Hon The Lord Lawson was reimbursed £736 (2011 - £3,470) with regards to fundraising expenses.

6. Tax

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