

**WORLD
ENERGY
COUNCIL**

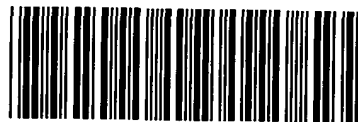
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VAT Registration Number: GB 123 3802 48

**WORLD ENERGY COUNCIL
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**WORLD ENERGY COUNCIL
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**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
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The Board of Trustees, who are also the Directors of the Charity, present their annual report for the year ended 31 December 2015 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year.

The financial statements comply with current statutory requirements, the Articles of Association of the Charity, FRS 102 and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (2015).

OBJECTIVES AND ACTIVITIES OF THE CHARITY

According to the Articles of Association of the Charity, its mission is to promote the sustainable supply and use of energy for the greatest benefit of all people.

The Charity's objects include:

- a. collating data about and undertaking and promoting research into the means of supplying and using energy having, short and long term, the greatest social benefit and the least harmful impact on the natural environment and publishing or otherwise disseminating the useful results of such research;
- b. undertaking actions, including, but not limited to, the holding of Congresses, workshops and seminars, to facilitate such supply and use of energy; and
- c. collaborating with other organisations in the energy sector with compatible goals.

The Charity addresses its objects through:

(1) Flagship studies, including:

- **World Energy Trilemma**, which looks at best practice national energy policies and how sound energy policy can help address the "trilemma" challenges of delivering social benefit (ensuring that affordable energy is accessible to all levels of society); meeting energy demand (ensuring a reliable supply of energy to facilitate economic growth); and minimising environmental impact (reducing the impact of energy production and use on the environment);
- **World Energy Scenarios**, which examines how policy and business decisions made today will impact government, business and society in the future and which encourages decision-makers to look at all available options and how these may "play out";
- **World Energy Resources**, which surveys energy resources and reserves worldwide and provides a contextual overview of the available resources, where they are located and how their use may impact the energy situation;
- **World Energy Issues Monitor**, an annual survey of global business and government leaders to determine which issues are of critical importance; these issues then form the basis of discussions at the Charity's Congresses, summits, workshops and seminars;
- **Technical studies**, which are aimed at "on the ground" issues facing the energy sector, such as energy efficiency, renewable energy integration systems, power plant performance and the development and implementation of clean technologies.

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(2) Action agenda and events, including:

- **World Energy Congress**, which is the seminal event of the Charity and is held every three years in a different country. The Congress aims to bring together heads of state, energy ministers, business leaders, researchers, academics, practitioners, representatives from international and inter-governmental organisations and representatives from civil society to discuss energy-related topics, develop solutions to key issues and learn about the latest developments in the industry;
- **World Energy Leaders' Summits**, which are high-level, global, by-invitation-only events for CEOs and energy ministers, usually held twice a year and conducted under Chatham House rules, with the aims of facilitating discussion and dialogue on critical energy issues and providing access to a peer network for top global energy leaders;
- **Workshops and seminars**, which focus on the Charity's studies and research and cover such topics as energy policy, regional integration, energy market design, investment in energy infrastructure, cyber risks, the energy-food-water nexus and energy finance. The workshops and seminars are open to all of the Council's members and are intended to gather data and input for the Charity's studies, facilitate knowledge-sharing, share expertise and best practices and provide a forum for the discussion of important energy topics;
- **Regional programme**, where each of the Charity's seven regions (Africa, Asia Pacific/South Asia, East Asia/Rest of Asia, Europe, Latin America/Caribbean, Middle East/Gulf States, North America) carries out a focused programme of activities which specifically address energy issues in the region;
- **World Energy Academy**, which is aimed at providing a broad contextual overview of the energy sector and energy issues for young energy professionals, with the course syllabus based on the Charity's studies and research and lectures delivered by energy experts from the Charity's local, regional and global network;
- **Future Energy Leaders**, which seeks to develop the next generation of energy leaders through an ongoing programme of leadership development, networking opportunities with current energy leaders and participation in the activities of the Charity, including a specially focused programme at the triennial World Energy Congress;
- **Sectoral Programmes**, which seek to focus on specific energy communities, including power generation, via the Global Electricity Initiative and oil and gas, via the Global Gas Centre.

HOW THE CHARITY'S ACTIVITIES DELIVER PUBLIC GOOD

The Trustees have had due regard for the UK Charity Commission's statutory guidance on public benefit and believe that the Council adheres to this guidance as explained below.

Energy plays a key role in the lives of everyone on the planet, from contributing to the provision of basic needs, such as sanitation, cooking, heating and lighting to supporting healthcare, education, transportation and communication.

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The Council's **studies and research** benefit the public good by:

- informing policy-makers and government officials about the importance of sound energy policy, a strong regulatory framework and the long-term thinking required for investment in energy infrastructure, which ultimately benefit the general public;
- helping to inform opinion-influencers, including the media, on critical energy issues;
- assisting governments, companies and communities to work together to help prepare for a sustainable energy future;
- raising awareness of energy issues and their impact on future generations;
- addressing social equity, that is, the importance of working to find ways to supply commercial energy to those who do not currently have it (often, the poorest people in both rural and urban areas of developing countries) as well as to those who cannot afford it (the elderly, the poor);
- raising awareness of the risks of climate change and providing advice on ways to mitigate such risks;
- educating consumers about ways to help in the effort to mitigate climate change and to use energy more efficiently.

In addition, the Council's **leadership dialogue events** bring together energy leaders to develop solutions to energy challenges, with the intended end result being a better, cleaner, more efficient world where energy supplies are secure and affordable and there is universal access to electricity.

The Council has also developed two specific programmes aimed at providing public benefit. The **Future Energy Leaders** programme seeks to develop the next generation of energy leaders, particularly in regions such as Africa, where the lack of young talent is of particular concern. The **World Energy Academy** was developed to provide public benefit by educating students, energy professionals, consumers and others with an interest in a sustainable energy future, using face-to-face and remote courses based on the Charity's studies and led by experts from its network.

VOLUNTEERS

The Charity has a global network of members comprised of business and government leaders, researchers, energy experts and academicians. These members may choose to volunteer to participate in a study group, project group or Knowledge Network to provide input and feedback on the various studies and reports prepared by the Council. The main work of research, writing and finalising the reports is done by the London office and/or its project partners, but the expert advice and input from members of the Council's network lends additional credibility and ensures that national and regional viewpoints are considered.

2015 ACHIEVEMENTS AND PERFORMANCE

During 2015, an Energy Leaders' Dialogue (ELD) and two World Energy Leaders' Summits (WELS) were held.

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The Johannesburg Energy Leaders' Dialogue attracted 40 high-level participants from nineteen countries, including four energy ministers, representatives from the African Development Bank, ECOWAS and NEPAD and CEOs from African and global energy companies. The event, which included a private ministerial roundtable, launched the Council's Year of Africa, and topics covered included regional inter-connections and the LNG and natural gas markets in Africa. The event provided an opportunity for the Council to engage with African and global energy leaders to help address issues of energy access, energy security and climate impact within the African context.

The Manila WELS was co-hosted with the Asian Development Bank and was held in conjunction with ADB's Asia Clean Energy Forum. The purpose of the event was two-fold: firstly, to deepen the Council's relationship with the ADB so as to work toward sustainability goals of mutual interest in the Asia region, and secondly, to explore critical energy issues within the Asian context. The WELS attracted 52 participants from 30 countries, including six energy ministers. The focus of the WELS was on smart innovation, the new dynamics of Asian LNG markets and financing resilience.

With the annual general meeting taking place in Ethiopia, the Council decided to declare 2015 the "Year of Africa", with an increased focus on events and studies pertinent to the region. A specific survey of regional integration projects across Africa, which aimed to measure these projects against the Council's "energy trilemma" framework, was launched, and country-specific maps highlighting critical energy issues within individual African countries were also prepared. In addition, a workshop focusing on the African elements of the Council's global Scenarios study was held in October.

The WELS in Addis Ababa, Ethiopia, attracted 75 participants from 40 countries, including nineteen energy ministers. Two sessions were held, one for ministers and a second for business leaders. Topics covered included next steps towards African regional integration, the potential for hydro, new business models and renewable energy development and the role of natural gas and LNG. All of these are critical issues for Africa, and the Council believes it can play a role in ensuring that the private and public sectors come together to discuss and debate the issues and develop solutions.

Also in 2015, the project managers for the Council's flagship studies continued to work on reports for release at the 2016 World Energy Congress in Istanbul. New work on Financing Resilient Energy Infrastructure was also undertaken, in collaboration with Swiss Re, one of the world's major reinsurers, Marsh McLennan, which works in the areas of infrastructure investment and capital flows. The Resilience project is intended to look at how countries and regions can build a robust infrastructure to address such challenges as major weather events, cyber risk, water stress, the energy-water-food nexus, social activism and technical efficacy.

The Council continued its work on the Global Electricity Initiative (GEI) in cooperation with the World Business Council on Sustainable Development. The GEI seeks to promote international cooperation and the exchange of best practices by the largest global utilities, with the aim of overcoming the challenges of providing a sustainable, accessible and affordable supply of electricity and doing this in a way that has the least impact on the environment; to develop a dedicated global electricity leaders' community in the electricity sector; and to produce a road map for increasing the share of renewables in electricity production in a cost-efficient and technically sound manner.

In addition, the Council agreed with the Gas Centre, a body of the world's largest gas companies and formerly part of the United Nations, to integrate the group into the Charity as the Global Gas Centre (GGC).

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The GGC will continue to operate as a separate legal entity but over time, its members will become members of the Council and will be fully involved in and integrated into its activities. This will help provide further validity of the Council as a multi-energy, global network.

The Council also decided to restructure its Future Energy Leaders (FEL) programme. Rather than just bringing young leaders together at the triennial World Energy Congress, the programme will be ongoing and will be aimed at a select group of 100 young leaders, nominated by Council's Member Committees and partner organisations.

One third of the group will be new each year, and one third will "retire" to form a global network of FEL alumni who are prepared to address the leadership challenges in the coming years. The FEL-100 group will also contribute expertise to the Council's global studies and research and will hold its own workshops and meetings to focus on issues of interest.

Further progress was also made with the World Energy Academy, which is aimed at providing a global overview on energy issues not only to potential future energy leaders but also to persons from other sectors, such as law, banking, education and social work. The Council's studies and research reports are used as a basis for the Academy courses. Six of the Council's member countries launched their own Academy programmes in 2015, with another eleven countries expected to launch programmes over the next 12-24 months. While each country sets its own course syllabus, the Council provides the global experts and the course materials, and in the coming months, expects to set global standards for course development, evaluation and delivery. The Council will also explore the possibility of securing a global platform that can deliver the courses to those who cannot attend in person.

Another important focus during 2015 was to prepare for the 23rd World Energy Congress to be held in Istanbul, Turkey, in October, 2016. The theme of the 2016 Congress will be "Embracing New Frontiers" and will bring together heads of state, global energy leaders from government and industry, energy experts and researchers, academicians, inter-governmental and non-governmental organisations and civil society to discuss energy issues, exchange innovative ideas and best practices, explore new technological developments and hear from leading global experts.

Specific objectives and the Charity's success in meeting these is provided later in this report.

OTHER ACTIVITIES

In addition to its main work programme, the Charity carries out other activities which provide operational and/or funding support for the organisation.

Membership and Subscriptions

At the core of the Charity are its autonomous national Member Committees. In 2015, the Council had 95 Member Committees from developed, developing and transitional nations. These Committees pay an annual subscription fee to belong to the Council, with subscriptions comprising roughly 40% of the Charity's total revenues. The constituent members of each national Member Committee participate in the Council's activities and contribute their time and expertise to its work.

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A Member Services team at the London headquarters is charged with ensuring that the member base is strong and growing, that Member Committees are financially stable and that they are active and engaged locally and regionally as well as with the Council's global network. The Member Services team consists of one full-time staff member, supported by a team of seven Regional Managers. The Regional Vice-Chairs, who serve as Trustees of the Charity, also provide support.

In addition to its national Member Committees, the Charity also has four direct members, Singapore Power, Woodside (Australia), the energy ministry of the Dominican Republic and Sarawak (Malaysia). These organisations are located in countries where the Council has no national Committee. Direct members have access to the Council's studies and events, but do not have voting privileges or the full rights of membership. The aim is for them to experience the benefits of exposure to the Council's global network and then act as ambassadors in their country, recruiting other companies and interested parties, including the government, to form a new national Member Committee.

Patrons and Global Partners Programmes

The Global Partners Programme was created in 2009 with two key aims: (1) to help strengthen Member Committees by requiring any new Global Partner to become a paying member of at least three Member Committees; and (2) to bring additional revenue directly to the London office to support the Council's work. The programme is aimed at attracting innovative energy or energy-related companies and/or national or regional companies seeking to expand their business to the global level. In 2015, the Council had fourteen Global Partners who created over 50 direct memberships in Member Committees and contributed £532,000 (2014: £411,000) to support the Council's activities.

The Patrons programme is aimed at identifying energy companies who are already members, to partner with the Council and contribute cash or in-kind goods or services to support its work. The Patron income goes into the Foundation, a designated fund within the Charity. Patrons are provided with certain benefits which are not available to regular members, including invitations to the Council's exclusive World Energy Leaders' Summits and a dedicated account manager in the London office. In 2015, the Council had sixteen Patrons, seven of which provided in-kind contributions of staff and expertise, with the remainder making cash contributions. In 2015, Patrons contributed £1,184,000 (2014: £1,114,000) to support the Council's work.

Gifts in Kind

Gifts in kind in 2015 were provided by certain Patrons in lieu of cash contributions. These included secondments from TEPCO (Japan) and VNG (Germany). Also providing support were Oliver Wyman (Trilemma), the Paul Scherrer Institute (Scenarios), VNG (GEI and Scenarios) and Swiss Re and Marsh McLennan (Financing Resilience).

Gift in kind revenues match the gift in kind expense, which is shown under the relevant work programme or other activity in the financial statements.

Gifts in kind are shown at the market replacement value, i.e., what it would cost to hire the same level of person or the same types and levels of service in the UK market.

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Congress

The triennial World Energy Congress is the Council's most visible and important event. A contract is signed with the Congress organisers guaranteeing payments to WSL, with the payments covering the organiser's use of the Council's brand, logo and website and certain advisory, marketing and support services related to the Congress provided by the Council and WSL.

Preparations have begun on the programme topics, sessions and tentative speakers for the 23rd World Energy Congress to be held in October, 2016 in Istanbul, Turkey, and the site for the 2019 Congress – Abu Dhabi, United Arab Emirates – has been confirmed.

KEY PERFORMANCE INDICATORS

The Charity monitors its performance with respect to its work programme and charitable activities as well as its other activities (membership, Patrons and Global Partners, Congress) through Key Performance Indicators, assessing progress against these benchmarks annually.

While the Secretary General is responsible for monitoring progress against the KPIs, every staff member is expected to contribute to the achievement of these through individual performance objectives set each year with his or her line manager.

The following table shows the outcomes of the main Key Performance Indicators for the Charity for 2015.

KEY PERFORMANCE INDICATORS AND ACHIEVEMENTS

KPI	Target	Achieved?	Achievement
Membership	Have a presence, either through a national Member Committee or via one or more Direct Members, in 98 countries by the end of 2015	No	Presence in 97 countries at the end of 2015 due to the withdrawal of two Member Committees (Gabon and Taiwan, China) for non-payment of subscription fees
Visibility	Increase global visibility in the media by 30% over 2014	Yes	40% increase achieved
2016 Congress Programme	Reach goal of 100 confirmed speakers for the 2016 Congress by end-October 2015	No	100 reached by end of year, but not by end-October
World Energy Academy	Pilot project in Argentina replicated in at least one other country by year-end	Yes	Colombia, Italy and Estonia launched programmes

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Work Programme	At least one Resources Perspectives paper released by year-end	Yes	Hydropower report launched in May
Work Programme	Trilemma Ministerial held at AGM with at least 10 African ministers present	Yes	Trilemma Ministerial held with 19 ministers present
Work Programme	Scenarios deep dive for Latin America launched by year-end	No	Will be completed in Q1 2016 and launched in Rio in July 2016; delays due to temporary under-resourcing in Scenarios team
Budget	2015 non-Congress revenues reach £3,000,000 or above (9% increase over 2014)	Yes	Achieved £3,388,000
Subscriptions	Achieve payment of >85% of 2015 subscriptions by end of year	No	81% achieved by year-end; global crisis in energy sector and drastic drop in oil prices contributed to Member Committees' ability to pay
Patrons and Global Partners	Achieve New Global Partner Equivalent of at least 5 by year-end	Yes	NGPE of 11 achieved

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

These accounts have been prepared on a going concern basis under the authority of the Charity's Trustees. The Statement of Financial Activities (SoFA) set out on page 26 shows the following results for the Charity for the year.

There have been no significant events during the year which impacted the Charity's financial status.

Income Generation

Income generation during the year was £4,828,000 (2014: £4,401,000). The primary sources of income were membership subscriptions, Congress revenues and the Patrons and Global Partners programmes.

Subscription income was £1,641,000 (2014: £1,452,000) for the year.

The Patrons contributed £1,184,000 (2014: £1,114,000), which was added to the designated fund, the WEC Foundation, and Global Partners contributed £532,000 (2014: £411,000) to support the Council's work.

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Resources Expended and Services

Total resources expended by the Charity in 2015 amounted to £4,789,000 (2014: £4,501,000). These included expenditures of £3,022,000 (2014: £3,162,000) on the work programme. Note 4 provides a breakdown of resources expended.

FINANCIAL MANAGEMENT POLICIES

Investment Policy and Returns

The Charity and the WEC Foundation, a designated fund within the Charity, have separate investment policies which are reviewed annually. The policies for both entities have the following objectives:

- Controlling the Charity's investments;
- Ensuring the investments are adequately diversified;
- Ensuring the investments are appropriate for the capital and income objectives of the Charity.

The Charity's overall investment policy is based on a conservative, low-risk approach aimed at preserving capital while still providing modest to good returns. This is achieved primarily through the use of Common Investment and Deposit Funds, which minimise risk by using a spread of professionally selected funds.

The investments of the Charity (excluding the Foundation), which consist principally of cash surpluses, are placed in short-term deposit accounts. By policy, these cash surplus funds may not be invested in equity funds.

WEC Services Ltd. did not hold any investments in 2015.

An additional investment guideline for the Foundation Fund regarding the division between funds aims to maintain the following range for its sterling-based assets:

- Equity based funds – major part of capital monies
- Fixed interest funds – minor part of capital monies
- Cash deposit funds – variable part of short-term cash funds

Although the Foundation investment policy allows for investments of non-sterling-based income, the Foundation currently holds no foreign currency investments.

Fund managers for the Charity and the Foundation are listed on page 23 of these financial statements. All funds are invested with top-tier UK banks or other secure institutions.

In 2015, the Trustees authorised a total utilisation from the Foundation of £1,100,000 to support the Charity's work programme.

At the end of 2015, the Foundation's assets totalled £1,373,000 (2014: £1,227,000) and the group's investments, excluding cash deposits, were valued at £411,000 (2014: £414,000).

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The Foundation was established as a mechanism to ensure that the Charity's work programme is financially supported with funds contributed by major donors who are already members of the organisation. These funds come directly to the Charity and are designated, but not restricted. They may be used any time there is a requirement for additional financial support for specific elements of the work programme.

Restricted Funds

For 2015, the Charity held two restricted funds: the Latin America Fund, which supported the Latin American Scenarios deep dive; and funds for the UK national Member Committee until such time as it is fully established; at the end of 2015, the amount in this account was £134,000 (2014: £120,000).

Free Reserves

Free reserves available for use by the Charity are deemed to be those that are readily realisable, less fixed assets and funds whose uses are restricted or designated. At the end of 2015, the Charity held free reserves of £230,000 (2014: £377,000).

The Trustees review annually the value of the reserves retained in the form of investments, cash and cash equivalents not held for restricted purposes. They consider the Charity's exposure to major risks in terms of the likely effect on its income sources and planned expenditure in the short to medium term. They also assess the best way to mitigate such risks.

The Council's reserves policy requires sufficient reserves to:

- cover the Charity's operating and work programme expenses for up to six months;
- include a contingency to cover any shortfall in the existing programme or project funding;
- provide initial funds for future projects to be undertaken.

The reserves level has thus been set at 40% of the previous year's total cash expenditures, including expenditures of the WEC Foundation. WEC Foundation is accounted for as a designated fund to be utilised in 2016 in support of the Charity's work programme. The Foundation reserves are included when calculating the total reserves on hand. Eighty per cent of reserves are to be used to meet operating expenses and the remaining 20% to safeguard the Charity's work programme commitments. The Council also has an additional designated fund of £3k in respect of the Gerald Doucet Memorial Fund, details of which can be found in Note 13; this fund is used to support young energy leaders and will be utilised in 2016 to support the participation 1-2 young energy leaders in the 2016 World Energy Congress.

For 2015, the level of reserves required according to the stated policy was £1,434,000. The free reserves are £231,000. The Trustees have noted the difference between the required and actual levels but are comfortable that when the designated funds in the Foundation are taken into account, the Charity has sufficient reserves to fund its work programme and operate the office for at least six months.

The total material amounts committed and falling due within the next twelve months are shown in Note 12. This consists of rent on the current premises.

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EMPLOYEES

The Charity aims to be an organisation where employees enjoy a sense of fulfilment and feel supported and developed. Employees are kept informed about the Charity's strategy, objectives and work programme through regular staff meetings. Employees are encouraged to make their suggestions and views on the Charity's aims, objectives and work programme known to the Charity's chief executive.

By stated policy, the Charity does not discriminate nor tolerate discrimination on the grounds of colour, race, ethnic or national origin, religion, age, disability, marital status, sex or sexuality, either in the hiring process or in the workplace.

All employees are expected to adhere to this policy. While the policy does not explicitly mention Trustees, it is expected that the policy would also be adhered to by the Trustees of the Charity.

RISK MANAGEMENT

The Trustees carry out an annual risk management review to assess business risks, implement appropriate risk management strategies and ensure that the organisation follows current best practice with respect to risk management and has implemented adequate internal controls.

Procedures have been established for reporting failings in internal controls immediately to appropriate levels of management and to the Trustees.

A variance letter is prepared by management each quarter and accompanies the quarterly financial reports sent to the Finance Committee. The variance letter provides an update on any risks which would affect the Charity and notes what steps have been taken to reduce or eliminate such risks.

A more extensive annual risk assessment is carried out at the last Trustees' meeting each year and involves identifying the types of risks the Charity faces, prioritising them in terms of potential effect and likelihood of occurrence and identifying means of mitigating them.

The main risks to the Charity in 2015 and the steps taken to address these risks are noted below.

Risk	Perceived risk level (1-5)	Risk Protection
Risks due to relocation of senior staff member to Canada in mid-2013 and subsequent tax exposure for the Charity, which was unaware of this exposure at the time of the employee's move	3	• Full support from UK and Canadian tax advisors specialising in ex-pat transfers to advise on the Charity's tax obligations and other requirements from the Canadian revenue authorities • Filing of voluntary disclosure for back taxes, thus avoiding penalties for late filing • Set-up with Canadian payroll bureau for the Charity to pay the employee in Canada, with appropriate tax and social insurance deductions and payments of these on the Charity's behalf by the payroll bureau

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Erosion of member base	2	• Regular review and monitoring of Member Committees' "health" • Enhancement of AGM to provide more content and additional opportunities to interact and discuss energy issues • Monitoring of subscription and arrears status • Direct Membership programme in place to allow companies to join as a basis for forming a new Member Committee over time in their country
Loss of WEC Patrons/Global Partners or inability to recruit new Patrons and Global Partners, particularly in light of the global downturn in the energy sector	4	• Account managers in London office assigned to provide customised service to Patrons and Global Partners • Pipeline of potentials in place • Rolling, automatically renewing contracts to streamline renewal process • Close monitoring of invoicing and payments by Patrons and Global Partners and follow-up on outstanding amounts • Enhanced benefits for Patrons and Global Partners
Loss of Patrons/Global Partners or inability to recruit new Patrons and Global Partners, particularly in light of the global downturn in the energy sector	4	• Account managers in London office assigned to provide customised service to Patrons and Global Partners • Pipeline of potentials in place • Rolling, automatically renewing contracts to streamline renewal process • Close monitoring of invoicing and payments by Patrons and Global Partners and follow-up on outstanding amounts • Enhanced benefits for Patrons and Global Partners
Insurance, safety, security of office, equipment, network, website and staff	1	• Appropriate insurances in place, including office, liability and contents • Annual fire risk assessment carried out • Security system in place • Equipment security tagged • UK health and safety requirements monitored to ensure compliance • Regular back-up of network, database and website, with back-ups stored offsite • Appropriate firewalls and security

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Finances and financial reserves	2	• Monthly monitoring of finances by management • Quarterly and annual financial reporting by management to Finance Committee and Trustees
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After reviewing the risks to the Charity at the end of 2015, the Trustees concluded that management had taken prudent and reasonable steps to minimise the overall risks to the organisation; that the current policies and procedures governing risk management are appropriate; and that the system of internal checks and balances which has been put in place is sufficient to safeguard the Charity against the risks it might face.

In addition, the Trustees approved a new Risk Appetite Policy which allows them to assess projects and initiatives in terms of the risks these might pose to the Charity, balanced against the rewards – financial or otherwise – which might result. In general, the risk appetite of the Trustees tends to be relatively conservative.

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in Note 8 of these financial statements.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the company (who are also the Trustees of the Charity) during the year are listed on page 21. New Directors appointed at the 2015 Executive Assembly in Addis Ababa, Ethiopia, assumed their seats on 31 October and Directors who have since been appointed and will be responsible for signing these accounts are also listed on page 21 of this report.

FUTURE PLANS

Based on their review of the organisation's overall financial health, the Trustees believe that the Charity is stable and will continue to operate but that it must also take the following actions to ensure that it remains viable and strong for the future:

- Continue to promote the Charity's visibility, credibility and presence on the global energy scene through the World Energy Leaders' Summits and Ministerial Roundtables and through partnerships with leading global institutions such as the Clean Energy Ministerial, UNSE4All, UNFCCC, COP, the UN and the G20;
- Continue to monitor the stability and robustness of the member base, develop additional ways to foster strong, active Member Committees, including with an enhanced value proposition; and recruit new Member Committees, with a target of reaching 100 by the time of the 2016 Congress;
- Prepare a new subscription formula which will be perceived by members as transparent and fair and present this for approval at the 2016 AGM;
- Ensure that annual membership subscriptions are paid, seek to recover arrears and find ways to support or rebuild Member Committees which are struggling financially;

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YEAR ENDED 31 DECEMBER 2015**

- Continue to promote and develop direct membership as a scalable way to create, over time, new national Member Committees;
- Seek additional Patrons and Global Partners to help support the Charity's work;
- Create partnerships with Regional Development Banks to promote mutually beneficial programmes, enhance regional visibility and build on the Charity's regional integration work;
- Further develop the Global Gas Centre, which is now a formal programme within the Charity in order to increase penetration into the global gas community;
- Further develop the World Energy Academy as a way to benefit the public good and to provide energy education and a broad overview of the global energy sector to the next generation of energy leaders as well as to those in relevant energy-related industries, such as law and finance;
- Focus necessary resources on the preparations for the 2016 World Energy Congress in order to ensure a successful event;
- Monitor revenues and expenditures to ensure the Charity operates with a balanced budget, that there are sufficient financial resources to support its work; and that it has sufficient cash reserves on hand to meet unexpected emergencies;
- Consider a commercial plan and strategy to develop new revenue streams for the Charity and its trading subsidiary.

WORLD ENERGY COUNCIL

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by Articles of Association, which were adopted on 8 November 2012 and amended on 13 October 2013 and 28 October 2015. The Articles ensure the Charity is compliant with the UK Companies Act 2006 and the UK Charities Act 2011. The new Articles supersede the original Memorandum and Articles of Association adopted on 21 March 2001.

The Council's members are autonomous Member Committees in over 90 countries. Each Member Committee is entitled to be represented in the Executive Assembly, which is the ultimate governing authority for the Charity. The Executive Assembly meets at an Annual General Meeting once a year to conduct the business of the Council. All Member Committees have one vote in the Executive Assembly, regardless of size or subscription category.

The Trustees have control of the Charity, its property and its funds. The Articles specify the minimum number of Trustees and the requirements for becoming a Trustee. Trustees are elected by the Executive Assembly and report to it. The Trustees meet at least twice a year to discuss strategy, assess operational and investment performance, review financial reports and set the budgets. According to the Articles, the Trustees may, at their discretion, put before the members at the AGM any issues of policy or any other business for discussion and debate.

The Trustees recognise the importance of communicating with members and soliciting their views, input and ideas. Such communication is carried out both formally – through surveys, questionnaires and formal meetings – and informally – through direct contact, by e-mail and telephone. In particular, the views of members are heard during the annual Executive Assembly, when various matters, such as the Charity's work programme, the budget, new initiatives and changes in strategy, are brought before the members for open discussion.

The Executive Assembly has delegated to the Trustees responsibility for managing the business affairs and property of the Charity and its trading subsidiary, for ensuring that the policies approved by the Executive Assembly are implemented and for overseeing the performance of the Secretary General, whom it appoints at its discretion. To help carry out these duties, the officers have established three subcommittees: Remuneration, Nominations and Finance. The terms of reference are summarised and lists of members for each subcommittee are provided on page 22.

The Executive Assembly has delegated responsibility for the Charity's charitable activities (work programme) to three Standing Committees: Communications and Strategy, Programmes and Studies. The chairs of these Standing Committees serve as Trustees of the Charity and Directors of the company.

The Chair of the World Energy Council serves as Chair of the Executive Assembly. S/he is elected by the Executive Assembly for a three-year term and may not be re-elected. A Co-Chair is also elected and serves for a three-year term alongside the Chair, supporting him or her and being integrated and oriented into the role; at the end of his/her term as Co-Chair, the Co-Chair is confirmed as Chair.

Before election, nominees are required to disclose to the Nominations Committee and the Board any other significant commitments which might affect their ability to carry out their duties. Once elected, the Chair and Co-Chair are required to notify the Board of any change in commitments. Such commitments and the likely effect of these are noted in the annual report.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2015**

The current Chair retired in 2015 from her position as a senior staff member of a major global energy company but she continues to be financially supported by her company. She has no commitments which affect her ability to attend Board meetings or to carry out her work as Chair.

The current Co-Chair is president of his own company but has confirmed that he is able to set aside time to devote to his role with the Charity.

The performances of the Chair and Co-Chair are evaluated by the Board and the performance of the Finance Chair is evaluated by the Finance Committee members on an annual basis. In addition, the Board members assess their own performance annually. The criteria for these evaluations are developed and approved by the Board and the Finance Committee and are based on process performance rather than on personal performance. The evaluations are also designed to ensure the Charity's compliance with the corporate governance guidelines of the UK Financial Reporting Council. The evaluations of the Chair, Co-Chair, Finance Chair and other officers were carried out for 2015 in accordance with the agreed criteria and process.

All Trustees/Directors are required to confirm annually, via a form which they complete and sign, that they are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. It is the responsibility of the Board to ensure that all Trustees/Directors remain independent. Specific criteria for determining a Director's/Trustee's independence include whether s/he:

- has been an employee of the company or group within the last five years;
- has, or has had within the last three years, a material business relationship with the company, either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;
- has received or currently receives remuneration from the company;
- participates in a performance-related pay scheme, or is a member of the company's pension scheme;
- has close family ties with any of the company's advisers, directors or senior employees;
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the Board for more than nine years from the date of their first election.

In addition, directors are asked to review a list of suppliers and clients with whom the Charity deals and to disclose whether they have a material business or other relationship with any of these companies which could be deemed to be that of a related party and/or which could affect their independence. Based on these criteria and on the results of the completed 2015 Related Parties and Trustee Independence questionnaire, all current directors appear to be independent.

The Chair of the Finance Committee serves as the Senior Independent Trustee and is available to members if they have concerns which have not been resolved through the normal channels of the Chair or Secretary General, or when the problem is such that these contacts are inappropriate.

WORLD ENERGY COUNCIL TRUSTEES' REPORT YEAR ENDED 31 DECEMBER 2015

Trustees are elected for three-year terms. Successive terms of office for a given office may not, unless otherwise agreed on an exceptional basis by the members, be held by the same person or by representatives of the same Member Committee. Trustees must be a constituent member or employed by a constituent member of a national Member Committee and are expected to be familiar with and promote the Council's work, to participate in meetings of the Board and Executive Assembly and to support their own travel costs and any other expenses associated with serving as a Trustee.

Candidates for positions on the Board must be nominated by the national Member Committee of which they are a member, and the Member Committee must provide a statement which outlines the qualifications of the candidate to serve as a member of the Board, along with a copy of the candidate's CV. Once the Nominations Committee has reviewed all nominees and selected the final candidates, the slate of nominees is sent to the members, along with the CV for each nominee, prior to the election of Trustees/Directors, which normally takes place at the Annual General Meeting. The briefing note that accompanies the nominations states why the Board believes each Trustee/Director should be elected.

New Trustees receive an induction pack containing a description of Trustees' responsibilities as well as policy and other documents governing the work of the Board and the Charity. The pack also includes a description of the Trustees' fiduciary and legal responsibilities under UK law and other pertinent information necessary for effective and informed decision-making. The Secretary General and Chair brief new Trustees on their responsibilities when they are elected.

ATTENDANCE AT BOARD AND SUBCOMMITTEE MEETINGS

The following shows individual Trustee/Director attendance at the meetings of the Board and its subcommittees in 2015:

BOARD (OFFICERS COUNCIL) MEETINGS

	16 June	28 October
Baikeli	n/a	✓
Barbknecht	✓	✓
Birnbaum		
Budargin		
Choudhury		Resigned
da Costa		✓
Dauger		✓
Kim	✓	
Mercan		✓
Mohale		✓
Nadeau		✓
Oskvig	✓	✓

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2015**

Statham	✓	
Vargas Lleras		
Wu		Resigned
Zatari		

FINANCE COMMITTEE MEETINGS

	16 June	28 October
Barbknecht (Chair)	✓	✓
Kim	✓	✓
Jiang		
Muraki	✓	
Nadeau		✓
Statham	✓	✓

NOMINATION COMMITTEE MEETING

No face-to-face meetings held; discussions by teleconference/email only

REMUNERATION COMMITTEE MEETINGS

	16 March
Nadeau (Chair)	✓
Barbknecht	✓
Dauger	✓
Kim	✓
Statham	✓

CHIEF EXECUTIVE/SECRETARY GENERAL

The Secretary General serves as the chief executive of the Charity and as Chief Executive Officer of its trading subsidiary. He is responsible for carrying out the decisions of the Executive Assembly and the Board and engaging members of staff to undertake the Charity's work. The Secretary General has also been delegated responsibility for the day-to-day management of the Charity's affairs under the oversight of the Trustees. He serves as ex officio, non-voting Secretary of the Officers' Council. He is assisted by a group of senior managers in the London office. The Articles specifically prohibit the chief executive from becoming the Chair or a Trustee of the Charity.

GROUP STRUCTURE

The World Energy Council consists of two separate but related legal entities:

- The World Energy Council, which is a UK registered charity ("the Charity") and a UK company incorporated under the laws of England and Wales; and
- WEC Services Limited ("WSL"), the World Energy Council's wholly owned trading subsidiary and a separately registered UK company incorporated under the laws of England and Wales.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2015**

The Charity carries out charitable activities in accordance with the stated Mission and Objects of the organisation. The liability of the members is limited to an amount no greater than £1. If the Charity is wound up or dissolved and there remains any property, it is not to be paid to or distributed among the members but is to be given or transferred to some other charity or charities having objects similar to the Objects of the Council.

WEC Services Limited (WSL), the trading subsidiary, was incorporated on 18 June 2001 and carries out non-charitable trading activities to raise funds on behalf of the Charity. WSL's share capital is £100 divided into 100 shares of £1 each. If, upon the winding up or dissolution of the company and after the satisfaction of all its debts and liabilities, there remains any property, this is to be given or transferred to the Charity in accordance with the Articles of Association.

WSL makes a gift aid payment to the Charity of its annual taxable profits by no later than 30 September of the following year, after due provision for the financial requirements of any business carried on by company which would absorb or extinguish taxable profits that would otherwise be available for distribution. During 2015, WSL made an operating profit of £186,000 (2014: £299,000).

WSL's primary activities and outcomes for the reporting period were focused on preparations for the 2016 World Energy Congress, negotiating the contract with the organisers of the 2019 World Energy Congress and continuing to maintain the partnership with Energy Post to publish a monthly electronic magazine and an annual print version containing an overview of developments in the global energy sector based on interviews with and articles by global energy leaders.

Results of WSL's activities are disclosed in Note 15 of these financial statements and in the separate financial statements of WSL.

KEY MANAGEMENT REMUNERATION

Key management is defined as "those persons with authority and responsibility for planning, directing and controlling the activities of the entity". Under this definition, key management personnel for the Charity consist of the Secretary General, the Chief Operating Officer and three other senior staff. The compensation package for the Secretary General, including salary, bonus and benefits, is set annually by the Remuneration Committee and is based on an assessment of UK inflation rates, the salaries of comparable executives in the UK and the financial performance of the Charity. The compensation for the other key management personnel, which includes salary, bonus and benefits, is recommended by the Secretary General to the Finance Committee based on achievement of the individual's annual objectives and the Charity's financial performance. The Finance Committee then recommends the final salary and bonus actions to the Board for ratification.

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

The Trustees are responsible for preparing the annual report and financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice and for ensuring that the annual report and accounts provide:

- a true and fair view of the incoming resources;
- the application of such resources for the Charity and group during the year; and
- reviewing the state of affairs at the end of the financial year.

In preparing these financial statements, the Trustees are required to:

- Ensure that the most suitable accounting policies are established and applied consistently;
- Make judgements and estimates which are reasonable and prudent;

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2015**

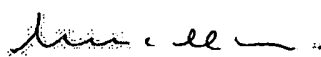
- Observe the methods and principles in the Charities SORP;
- State whether the applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the organisation will continue in operation for the foreseeable future.

The Trustees are responsible for ensuring that the Charity has appropriate systems and controls, financial and otherwise, in place. They are also responsible for keeping proper accounting records which at any time disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and for safeguarding the assets of the Charity and their proper application as required by UK charity law, which means the Trustees must take reasonable steps to prevent and detect fraud and other irregularities and to provide reasonable assurance that:

- The Charity is operating efficiently and effectively;
- All assets are safeguarded against unauthorised use or disposition and are properly applied;
- Proper records are maintained and financial information used within the Charity, or for publication, is reliable;
- The Charity complies with relevant laws and regulations.

Insofar as each of the Trustees/Directors of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing the audit report) of which the company's auditors are unaware. Each Trustee/Director has taken all of the steps that s/he should have taken as a Trustee/Director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 9 June 2016 and signed on behalf of the Board by


Marie-José Nadeau
Chair
World Energy Council


Klaus-Dieter Barbknecht
Chair
Finance Committee

WORLD ENERGY COUNCIL

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 DECEMBER 2015

REFERENCE AND ADMINISTRATIVE DETAILS

The World Energy Council is a registered charity (No. 1086559) and a registered company (No. 4184478) limited by guarantee and registered under the laws of England and Wales. Its registered office is as shown on page 22.

The present Trustees, any past Trustees who served during the year and new Trustees who have been appointed since last October and who will sign these reports are listed on this page. The Trustees of the Charity serve as its Officers Council and are also Trustees of the WEC Foundation and Directors of WEC Services Limited (WSL), the Charity's trading subsidiary.

Further legal and administrative details are set out on pages 22 and 23.

TRUSTEES

Baikeli, Nuer	Term began 1 November 2015
Barbknecht, Klaus-Dieter	* $\emptyset$ $\neq$
Birnbaum, Leonhard	
Budargin, Oleg	
Choudhury, Arup Roy	Resigned 1 October 2015
da Costa Carvalho Neto, José	+
Dauger, Jean-Marie	+ $\emptyset$
Kim, Younghoon David	* + $\emptyset$
Mercan, Hasan Murat	
Mohale, Bonang	
Muraki, Shigeru	* (Term began 15 April 2016)
Nadeau, Marie-José	* + $\emptyset$
Al Neyadi, Matar	Term began 1 November 2015
Oskvig, Dean	
Statham, Brian	* + $\emptyset$
Vargas Lleras, José Antonio	
Wu, Xinxiong	Resigned 1 September 2015
Zatari, Taha	Term ended 31 October 2015

* Member of Finance Committee $\emptyset$ Member of Remuneration Committee
+ Member of Nominations Committee $\neq$ Indicates Senior Independent Director

SUBCOMMITTEES OF THE BOARD OF DIRECTORS

FINANCE COMMITTEE

The Finance Committee is responsible for the budget, annual accounts and long-term financial commitments of the Council and for recommending the appointment of the auditor. It also serves as the Audit Committee.

Chair: Klaus-Dieter Barbknecht

**WORLD ENERGY COUNCIL
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2015**

Members: Xiangqian Jiang (term ended 31 October 2015); Shiguru Muraki; Brian Statham; Marie-José Nadeau (ex officio); Younghoon David Kim (ex officio)

NOMINATIONS COMMITTEE

The Nominations Committee is responsible for nominating new Directors and developing the slate of nominees for presentation to the shareholders.

Chair: Marie-José Nadeau

Members: José da Costa Carvalho Neto; Jean-Marie Dauger; Brian Statham; Younghoon David Kim (ex officio)

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for recommending to the Board the compensation, pension arrangements, performance criteria and performance-related pay for the Secretary General.

Chair: Marie-José Nadeau

Members: Klaus-Dieter Barbknecht; Jean-Marie Dauger; Brian Statham; Younghoon David Kim (ex officio)

CHIEF EXECUTIVE OFFICER

Dr Christoph Frei

OTHER SENIOR MANAGEMENT

Emily Melton, Chief Operating Officer

Stuart Neil, Senior Director, External Affairs and Communications

Karl Rose, Senior Director, Scenarios and Policies

Didier Sire, Senior Director, Head of Sectoral Programmes

PRINCIPAL AND REGISTERED OFFICE

62-64 Cornhill, London EC3V 3NH

AUDITOR

Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH, UK

BANKERS

Barclays Bank, Piccadilly Corporate Business Centre, Pall Mall Corporate Group, PO Box 15165, London SW1A 1QF, UK

**WORLD ENERGY COUNCIL
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2015**

SOLICITORS

Archon Solicitors, Martin House, 5 Martin Lane, London, EC4R 0DP, UK (personnel)

Gordon Dadds Solicitors, 6-11 Agar Street, London WC2N 4HN (commercial contracts and property matters)

Laura Devine Solicitors, 100 Cannon Street, London, EC4N 6EU (immigration and visas)

INVESTMENT MANAGERS

Black Rock (Merrill Lynch) Investment Funds

CCLA Investment Management Ltd (COIF)

HSBC Charity Common Investment Funds

Schroders Unit Trusts Limited

Group VAT Registration Number: GB 123 3802 48

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WORLD ENERGY COUNCIL

We have audited the financial statements of World Energy Council for the year ended 31 December 2015 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets and the related notes numbered 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2015. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

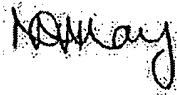
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual 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:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Trustees Annual Report.



Nicola May

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

Date: 8 July 2016

WORLD ENERGY COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Unrestricted Funds 2015 £'000	Restricted Funds 2015 £'000	Total 2015 £'000	Unrestricted Funds 2014 £'000	Restricted Funds 2014 £'000	Total 2014 £'000
Income and endowments from:							
Charitable activities							
Subscription fees		1,641	-	1,641	1,452	-	1,452
Patron income		1,184	-	1,184	1,114	-	1,114
Global Partner Income		494	38	532	411	-	411
Gifts in kind		1,020	-	1,020	883	-	883
Other trading activities	15	-	110	110	77	120	197
Investments	9	17	-	17	14	-	14
Other							
Congress income		200	-	200	330	-	330
Other income		110	14	124	-	-	-
Total income and endowments	13	4,666	162	4,828	4,281	120	4,401
EXPENDITURE							
Expenditure on charitable activities							
Subscription costs		749	-	749	569	-	569
Work programme		3,018	4	3,022	3,162	-	3,162
Congress expenditure		192	-	192	87	-	87
WELS, ministerial and partners		730	-	730	476	-	476
Other expenditure		-	96	96	207	-	207
Total expenditure		4,689	100	4,789	4,501	-	4,501
Net gains/(losses) on investments		(3)	-	(3)	6	-	6
Net income/(expenditure)		(26)	62	36	(214)	120	(94)
Net movement in funds		(26)	62	36	(214)	120	(94)
Total funds brought forward		1,809	120	1,929	2,023	-	2,023
Total funds carried forward		1,783	182	1,965	1,809	120	1,929

All of the activities are continuing. There were no recognised gains or losses other than those stated above.

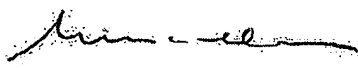
The notes on pages 29 to 40 form part of these financial statements.

**WORLD ENERGY COUNCIL
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2015**

	Notes	Group 2015	Charity 2015	Group 2014	Charity 2014
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	168	168	202	202
Investments	9	411	411	414	414
		<u>579</u>	<u>579</u>	<u>616</u>	<u>616</u>
CURRENT ASSETS					
Debtors	10	1,393	1,457	1,115	1,245
Short term deposits		4	4	4	4
Cash at bank and in hand		1,846	1,806	2,007	1,871
		<u>3,243</u>	<u>3,267</u>	<u>3,126</u>	<u>3,120</u>
CREDITORS: amounts falling due within one year	11	<u>(1,857)</u>	<u>(1,881)</u>	<u>(1,813)</u>	<u>(1,807)</u>
NET CURRENT ASSETS		<u>1,386</u>	<u>1,386</u>	<u>1,313</u>	<u>1,313</u>
TOTAL ASSETS		<u>1,965</u>	<u>1,965</u>	<u>1,929</u>	<u>1,929</u>
FUNDS	13 & 14				
Restricted		182	182	120	120
Unrestricted					
Designated Funds					
- WEC Foundation		1,373	1,373	1,227	1,227
- Gerald Doucet Memorial Fund		3	3	3	3
General		407	407	579	579
		<u>1,965</u>	<u>1,965</u>	<u>1,929</u>	<u>1,929</u>

Company No. 4184478

These financial statements were approved by the Board and authorised for issue on 9 June 2016 and signed on their behalf by:


Marie-José Nadeau
Chair, World Energy Council


Klaus-Dieter Barbknecht
Chair, Finance Committee

The notes on pages 29 to 40 form part of these financial statements.

**WORLD ENERGY COUNCIL
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	£'000	£'000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(168)	326
Cash flows from investing activities		
Dividends, interest and rents from investments	17	14
Purchase of property, plant and equipment	(10)	(206)
Net cash provided by (used in) investing activities	7	(192)
Change in cash and cash equivalents in reporting period	(161)	134
Cash and cash equivalents at beginning of reporting period	2,011	1,877
Cash and cash equivalents at end of the reporting period	1,850	2,011
 Reconciliation of cash flows from operating activities from SoFA		
Net income/(expenditure) for the reporting period (as per the SoFA)	36	(94)
Adjustments for:		
Depreciation charges	44	50
(Gains)/losses on investments	3	(6)
Dividends, interest and rents from investments	(17)	(14)
Loss/(profit) on sale of fixed assets	-	105
(Increase)/decrease in debtors	(278)	(377)
Increase/(decrease) in creditors	44	662
Net cash provided by (used in) operating activities	(168)	326
 Analysis of cash and cash equivalents		
Cash in hand	1,846	2,007
Notice deposits (less than 3 months)	4	4
Total cash and cash equivalents	1,850	2,011

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. COMPANY INFORMATION

World Energy Council is a company limited by guarantee (registered number 4184478), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is 62-64 Cornhill, London EC3V 3NH.

2. ACCOUNTING POLICIES

a) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

World Energy Council meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. In their estimation, the impact of transitioning is not material to the financial statements and therefore the restatement of comparative items is not required. The transition date was 1 January 2014.

The Trustees consider it appropriate for these financial statements to be prepared on a going concern basis, which assumes that the company will continue to operate for the foreseeable future.

b) Consolidation

The financial statements of World Energy Council and its subsidiary company (WEC Services Limited – Company No. 4236035) are consolidated, on a line-by-line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'. No separate Statement of Financial Activities has been presented for World Energy Council as permitted by Section 408 of the Companies Act 2006. The Charity has taken advantage of the exemptions in FRS 102 from the requirements to present a Charity only Cash Flow Statement and certain disclosures about the Charity's financial instruments.

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c) Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are subject to specific restrictions imposed by the donors. These funds are accounted for separately and are only available to be used for the specific purposes for which they were given.

Investment income and gains and all expenditures are allocated to the appropriate fund.

d) Incoming resources

The major sources of income for the Charity include:

- the gross invoiced value of subscription fees charged to the Council's members;
- Patron income, which represents corporate contributions for work programme purposes and is credited directly to the WEC Foundation, a designated fund;
- Global Partner income, which represents corporate contributions that are non-restricted and non-designated.

Subscriptions from members are recognised over the period to which they relate and are spread evenly over the period in line with the benefits received; Patron and Global Partner income is recognised when there is entitlement and receipt is probable, usually when the contract is signed. The income is recognised over the period to which it relates and is spread evenly over the period in line with the benefits received.

The subsidiary of the Charity (WEC Services Limited) derives income mainly from the World Energy Congress held once every three years.

Investment income is recognised on a received basis. All other income is recognised on an accruals basis.

Gifts in kind are received from a number of Patrons and other supporters of the charity either through seconded staff members or by the provision of services, e.g., modelling or advisory support on a specific project. Gifts received in kind are recognised as income at a reasonable estimate of their "fair value" to the Charity.

Where the Gifts represent staff time, the Gift in Kind is valued at the estimated cost to hire this level of staff in the UK job market. For goods or services, the value is calculated based on the estimated cost to procure these goods or services in the open market. Gift in Kind expenditures are apportioned by project and match Gift in Kind revenues. Gift in Kind revenues are apportioned equally each quarter into the accounts. Gift in Kind expenses are shown as they are incurred or if for staff, on an apportioned quarterly basis.

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e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Support costs comprise the costs of all resources utilised to support the Charity's primary activities and have been apportioned to charitable activities on the basis of the staff resources invested in each activity or project.

Governance costs include those costs incurred in connection with the administration of the Charity and to comply with constitutional and statutory requirements.

f) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost, including any incidental expenses of acquisition.

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful lives as follows:

Leasehold improvements	Over 10 years or over the period of the lease if less
Website development costs	Over four years
Office equipment	Over three years

g) Investments

Investments are re-valued to market value as at the balance sheet date and the surplus or deficit on this re-valuation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year.

h) Foreign currency transactions

Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the Statement of Financial Activities.

i) Cash and bank balances

Amounts included in cash at bank and in hand were maintained in interlinked bank accounts; therefore, negative amounts in individual accounts do not represent overdrafts.

WORLD ENERGY COUNCIL
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j) Taxation

Under Sections 466 to 493 Corporation Tax Act 2010, a charity is exempt from tax on its income insofar as it is applied for charitable purposes only. All of the disbursements appear to fall within the charitable objects and, consequently, no tax liability will arise.

k) Irrecoverable VAT

The Charity is registered for VAT, but some VAT is irrecoverable, and this is either charged to the SOFA directly or allocated within support costs.

l) Operating Leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred. In the case of the ten-year office lease signed in June of 2014, a 22-month rent-free period was provided by the landlord and has been factored into the accrued rent over the total period of the lease.

m) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in the Note 1, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

n) Financial instruments

World Energy Council has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

WORLD ENERGY COUNCIL
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	2015	2014
Carrying amount of financial assets/liabilities	£'000	£'000
Financial assets that are measured at amortised cost	3,199	3,083
Financial liabilities that are measured at amortised cost	(876)	(688)
Financial assets measured at fair value through the SoFA	411	414

o) Financial instruments

The functional currency of World Energy Council and its subsidiary is considered to be in pounds sterling because that is the currency of the primary economic environment in which the Charity/Group operates. The consolidated financial statements are also presented in pounds sterling.

3. RESULTS OF THE PARENT CHARITY

The Charity's total income for 2015 was £4,570,000 (2014: £4,071,000). The Charity made a deficit of £73,000 in the year (2014: £343,000 deficit).

4. RESOURCES EXPENDED	2015	2014
	Total	Total
	£000	£000
<i>Subscription costs</i>		
Staff costs	286	218
Membership support	28	37
Bad debts	188	157
Travel and entertainment	125	126
Support costs	122	31
	<u>749</u>	<u>569</u>
<i>Work programme</i>		
<i>Flagship Studies and Programmes</i>		
Staff costs	499	766
Honoraria	71	-
Gifts in kind	945	808
Technical Programmes (PGP, Energy Efficiency, RESI)	31	14
World Energy Trilemma	73	71
Financing Resilient Energy Infrastructure	26	7
World Energy Resources	30	10
Global Electricity Initiative	48	64
World Energy Scenarios	99	72
Rules of Trade	3	7
World Energy Issues Monitor	11	4
Support costs	245	368

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
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4. RESOURCES EXPENDED (CONTINUED)

Regional agenda (cont'd)

Staff costs	19	199
Gifts in kind	75	75
General expenses	12	12
Regional Manager Honoraria	193	
Asia	26	17
Africa	23	25
Europe	12	14
LAC	39	30
Middle East/Gulf States	36	20
North America	15	15
Regional Development	6	27
Support costs	90	88

Communications & Outreach

Staff costs	193	215
Miscellaneous	2	9
Publications/editing	10	27
Consultancy/branding	65	44
Travel and hospitality	42	56
Support costs	83	98

Work Programme total

3,022 3,162

Congress

Staff costs	129	59
Congress expenditure	8	24
Support costs	55	4
	192	87

WELS, Ministerial and Partners

Staff costs	412	292
Honoraria	7	
Ministerial	18	
Patron and Global Partner costs	8	14
World Energy Leaders Summits	106	71
Support costs	179	99
	730	476

Other costs

Office relocation costs		183
UK WEC	96	
Other costs		24

TOTAL RESOURCES EXPENDED

4,789 4,501

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NOTES TO THE FINANCIAL STATEMENTS
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5. SUPPORT COSTS

	2015 Total £'000	2014 Total £'000
Support costs		
Operations and HR	154	171
Accommodation costs	262	201
Office equipment and services	95	88
IT services	80	76
Legal, professional and accountancy	128	102
Depreciation	44	50
Trustees expenses	4	-
Governance costs		
• Audit costs	23	24
• Taxation advice (Charity)	21	3
• Taxation advice (WSL)	2	3
• VAT advice	11	-
• Accounts preparation (Charity)	7	7
• Accounts preparation (WSL)	1	0
• Other advice	1	3
	<u>58</u>	<u>40</u>
	<u>833</u>	<u>768</u>

The method for allocating support costs to each project or department is based on the percentage of time staff members spend working on the project.

6. STAFF COSTS

	2015 £'000	2014 £'000
Wages and salaries	1,461	1,543
Social security costs	153	134
Staff benefits	14	24
Pension costs	55	93
Other staff costs	9	124
	<u>1,692</u>	<u>1,918</u>

Emoluments during the year:

Band	2015	2014
£370,001-£380,000	1	0
£320,001 – £330,000	0	1
£80,001-£90,000	2	2
£70,001-£80,000	2	2
£60,001-£70,000	2	2

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Employer pension contributions of £55,000 (2014: £93,000) were made on the employees' behalf.

The average number of employees during the year was 24 (2014: 24).

Compensation for key management personnel, other than the Secretary General, is recommended by the Secretary General to the Finance Committee for approval. The Board's Remuneration Committee is responsible for setting the compensation of the Secretary General.

The total compensation for key management personnel for 2015 was as listed below.

	2015	2014
Salaries and benefits	£597,000	£632,000

No employee expenses were waived during the year.

7. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees neither received nor waived any emoluments during the year (2014: £nil). Trustees are not eligible for any employee benefits and received none during the year. During the year, £2,249 (2014: £7,423) was reimbursed to or paid on behalf of one Trustee for travel expenses.

8. TANGIBLE FIXED ASSETS

All tangible fixed assets are held by the Charity.

	Leasehold improvements	Office equipment	CRM Database	Website	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost</i>					
At 1 January 2015	291	236	27	193	747
Additions		10			10
Disposals	(121)	(181)		(193)	(495)
At 31 December 2015	170	65	27		263
<i>Accumulated depreciation</i>					
At 1 January 2015	129	202	21	193	545
Charge for period	18	20	6		44
Disposals	(121)	(181)		(193)	9
At 31 December 2015	26	41	27		53
<i>Net Book Values</i>					
At 31 December 2015	144	24			168
At 31 December 2014	162	34	6		202

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9. FIXED ASSET INVESTMENTS

All investments are held by the Charity and are held in UK investments.

	2015 £'000	2014 £'000
Market values		
Market value at 1 January 2015	414	298
Additions at cost	-	110
Disposals at opening market value	-	-
Realised gain on disposal of investments	-	-
Unrealised (loss)/gain on investments	(3)	6
Market value at 31 December 2015	411	414
Total investment value at 31 December 2015	411	414
Historical cost at 31 December 2015	248	248

UK listed investments are held in unit funds. These are represented by:

	2015 £'000	2014 £'000
Fixed interest securities	257	40
Equity shares	154	374
	411	414

The following investments make up over 5% of the portfolio:

		2015 £'000	2014 £'000
Units held:			
19,666	HSBC Common Fund for Income	23	24
9,653	COIF	123	120
32,744	Schroders	111	121
27,446	BlackRock Charishare Common Investment Fund	154	149

10. DEBTORS

	Group 2015 £'000	Charity 2015 £'000	Group 2014 £'000	Charity 2014 £'000
Trade debtors	1,348	1,226	1,047	847
Amount due from subsidiary company	-	186	-	330
Other debtors	1	1	25	25
Prepayments	44	44	43	43
Accrued income	-	-	-	-
	1,393	1,457	1,115	1,245

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11. CREDITORS: amounts falling due within one year

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Trade creditors	220	220	209	209
Taxation and social security costs	44	44	34	34
Accruals	469	464	315	309
Deferred income	981	981	1,125	1,125
Other	143	172	130	130
	<u>1,857</u>	<u>1,881</u>	<u>1,813</u>	<u>1,807</u>

	2015 £'000	2014 £'000
Deferred income reconciliation:		
Balance brought forward	1,125	682
Received in year	1,586	1,995
Utilised in year	<u>(1,730)</u>	<u>(1,552)</u>
Balance carried forward	<u>981</u>	<u>1,125</u>

12. FINANCIAL COMMITMENTS

Commitments under leases to pay rentals during the years following the year of these financial statements are given in the table below. All commitments relate to the Charity.

Obligations under operating leases comprise

	2015 £'000	2014 £'000
Land and buildings		
Within 1 year	163	210
Between 1 and 5 years	840	840
More than 5 years	630	870
Fixtures and fittings		
Within 1 year	15	13
Between 1 and 5 years	31	13

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13. STATEMENT OF FUNDS

	1 Jan 2015 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	31 Dec 2015 £'000
Restricted funds	120	162	(100)		182
General reserve	579	3,482	(3,662)		399
<u>Designated</u>					
Foundation	1,227	1,184	(1,035)	(3)	1,373
Doucet Memorial Fund	3				3
Total	1,929	4,828	(4,797)	(3)	1,957

The Foundation fund represents funds set aside at the Trustees' discretion to assist in the further development of the Council's work programme; these will be utilised in 2016.

The funds in the Gerald Doucet Memorial Fund are used to support the Council's work with young people, e.g., Future Energy Leaders programme and are expected to be utilised to support the attendance of a FEL at the 2016 World Energy Congress.

The funds shown as "Restricted" are (1) the contributions from Eletrobras, CAF and UPME to support the Latin American Scenarios deep dive; and (2) amounts paid by the members of the UK WEC Member Committee and held custodially by the Council until such time as UK WEC establishes its legal status in the UK and opens a bank account. The funds are to be expended solely by UK WEC in order to pay its annual subscription to the Council, to compensate its part-time Executive Director and to carry out a programme of activities for its members.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted			Restricted	Total
	General £'000	Foundation £'000	Gerald Doucet Memorial Fund £'000	Funds £'000	£'000
Tangible fixed assets	168				168
Investments		411			411
Net current assets	239	962	3	182	1,386
	407	1,373	3	182	1,965

**WORLD ENERGY COUNCIL
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15. SUBSIDIARY COMPANY

The Charity owns the whole of the issued ordinary share capital of WEC Services Ltd, a company registered in England (Company Number 4236035; VAT Registration Number GB 123 3802 48). WSL's share capital is £100 divided into 100 shares of £1 each. The subsidiary is used for non-primary purpose trading activities, namely Congresses, non-tax-exempt events and royalties from joint projects.

WSL's total annual net profit is gifted to the Charity. For 2014, the Gift Aid transfer was £299,000. For 2015, the transfer will be £186,000. These were the only transactions between WEC and WSL during 2015.

A summary of the results of the subsidiary is shown below.

	Total 2015 £'000	Total 2014 £'000
Turnover	258	330
Administrative expenditure	(72)	(31)
Net profit/(loss)	186	299
Profit on ordinary activities	186	299
Payment under gift aid	(186)	(299)
Retained profit for the year		
The aggregate of the assets, liabilities and funds was:		
Assets	186	299
Liabilities	(186)	(299)
Funds		

16. RELATED PARTY TRANSACTIONS

The total aggregated financial contributions from related parties to which one or more Trustees have a relationship were £634,563 in 2015.

One Trustee of the Charity, who is also a Director of the trading subsidiary, was the signatory of a contract between the subsidiary and the Turkish National Committee of the World Energy Council, of which he is the chair, with respect to the 2016 World Energy Congress.

The total value of the contract was £1,200,000, which is the flat fee payment guaranteed to the subsidiary irrespective of whether the 2016 World Energy Congress makes a net profit, with £200,000 of this payable to the subsidiary in 2015.

All flat fee payments due to the subsidiary in 2015 were made and there were no outstanding amounts or doubtful debts related to this matter at the end of 2015.