

Company Number: 4184478
Charity Number: 1086559

WORLD ENERGY COUNCIL
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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**WORLD ENERGY COUNCIL
YEAR ENDED 31 DECEMBER 2014**

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WORLD ENERGY COUNCIL
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2014

TRUSTEES

Trustees of the World Energy Council Charity (WEC) are also directors of WEC Services Limited (WSL).

NAME

Barbknecht, Klaus-Dieter	* ∅ ≠ Term began 22 October 2014
Birnbaum, Leonhard	
Budargin, Oleg	Term began 26 March 2014
Choudhury, Arup Roy	
da Costa Carvalho Neto, José	+ # + ^
Dauger, Jean-Marie	+ ∅ # + ^
Kim, Younghoon David	* + ∅ # + ^
Mercan, Hasan Murat	
Mohale, Bonang	
Nadeau, Marie-José	* + ∅ # + ^
Oskvig, Dean	
Statham, Brian	* + ∅ # + ^
Vargas Lleras, José Antonio	
Ward, Graham CBE, MA, FCA	* ∅ ≠ Term ended 22 October 2014
Wu, Xinxiong	
Zatari, Taha	

* Member of Finance Committee

∅ Member of Remuneration Committee

+ Member of Nominations Committee

+ Member of Studies Committee

Member of Programme Committee

^ Member of Communications and Strategy Committee

≠ Indicates Senior Independent Trustee

SUBCOMMITTEES OF THE BOARD OF TRUSTEES

FINANCE COMMITTEE

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

Chair: Graham Ward CBE, MA, FCA (until 22 October 2014); Klaus-Dieter Barbknecht (from 22 October 2014)

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

NOMINATIONS COMMITTEE

The Nominations Committee is responsible for nominating new Trustees 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: Jean-Marie Dauger; Brian Statham; Graham Ward, CBE, MA, FCA (until 22 October 2014); Klaus-Dieter Barbknecht (from 22 October 2014); Younghoon David Kim (ex officio)

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SECRETARY GENERAL: Dr Christoph Frei

REGISTERED OFFICE

Regency House, 1-4 Warwick Street, London, W1B 5LT, UK (until 24 June 2014)
62-64 Cornhill, London EC3V 3NH, UK (from 25 June 2014)

AUDITORS

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

SOLICITORS

Archon Solicitors, Martin House, 5 Martin Lane, London, EC4R 0DP, UK (personnel)
Jeffrey Green Russell Solicitors, Waverley House, 7-12 Noel Street, London W1F 8GQ (commercial
contracts and property matters)
Laura Devine Solicitors, 11 Old Jewry, London EC2R 8DU (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

WORLD ENERGY COUNCIL

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2014

The Board of Trustees, who are also the Directors of the Charity, present their annual report for the year ended 31 December 2014 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 and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (2005).

REFERENCE AND ADMINISTRATIVE DETAILS

The World Energy Council (WEC) 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 2.

The present Trustees and any past Trustees who served during the year are listed on page 1. 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 1 and 2.

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. The Articles ensure the Charity is compliant with the Companies Act 2006 and the Charities Act 2011. The new Articles supersede the original Memorandum and Articles of Association adopted on 21 March 2001.

WEC's members are autonomous Member Committees in 95 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 WEC. 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 WEC and WSL, 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 pages 1 and 2.

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 WEC Chair, supporting him or her and being

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integrated and oriented into the organisation; at the end of his/her term as Co-Chair, the Co-Chair assumes the office of Chair.

Before election, nominees for the position of WEC Chair and Co-Chair 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.

The current WEC Chair is a senior staff member of a major global energy company but has been authorised by her company's board to devote time to her role as Chair of WEC. Her work commitments do not affect her ability to attend board meetings or to carry out her work as WEC Chair.

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

The performances of the WEC Chair and Finance Chair are evaluated annually by the board and the Finance Committee members respectively. In addition, beginning in 2014, 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 rather than 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 WEC and Finance Chairs and the other officers were carried out for 2014 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 which could affect their independence. Based on these criteria and on the results of the completed 2014 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 WEC members if they have concerns which have not been resolved through the normal channels of the WEC Chair or Secretary General, or when the problem is such that these contacts are inappropriate.

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 WEC national Member Committee and are expected to be

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familiar with and promote WEC's work, to participate in meetings of the board and Executive Assembly and normally to support their own travel costs and any other expenses associated with serving as a Trustee.

Once the Nominations Committee has reviewed all nominees and selected the final candidates, the slate of nominees is sent to the members, along with a 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 WEC 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 2014:

BOARD (OFFICERS COUNCIL) MEETINGS

	21 May	15 September	22 October
Birnbaum		√	√
Budargin			√
Choudhury			
da Costa	√		√
Dauger		√	√
Kim	√	√	√
Mercan			√
Mohale			√
Nadeau	√	√	√
Oskvig		√	√
Statham	√	√	√
Vargas Lleras			√
Ward		√	√
Wu			
Zatari			

FINANCE COMMITTEE MEETINGS

	20 May	29 August	13 October
Ward (Chair)	√	√	√
Barbknecht	√		
Kim	√		√
Jiang			
Muraki			√
Nadeau	√	√	√
Statham	√	√	√

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NOMINATION COMMITTEE MEETING
None held; discussions by email only

REMUNERATION COMMITTEE MEETINGS

	6 JANUARY
Nadeau (Chair)	√
Dauger	√
Statham	√
Ward	

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 WEC'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 WEC 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.

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

WSL 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 2014, WSL made an operating profit of £299,000 (2013: £669,000).

WSL's primary activities and outcomes for the reporting period were focused on negotiating the 2016 Congress contract and launching a new 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.

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Results of WSL's activities are disclosed in Note 14 of the consolidated financial statements and in the separate financial statements of WSL.

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 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;
- 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 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.

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 quarterly 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.

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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 2014 and the steps taken to address these risks are noted below.

Risk	Risk Protection
Financial and other risks due to expiration of office lease and move to new premises	<ul style="list-style-type: none"> • Negotiation of early release from lease and waiver of dilapidations costs • Set budget for total cost of move, with careful monitoring to contain costs and a contingency line in case of cost over-runs • Full support of a qualified surveyor to inspect new premises • Full support of solicitor specialising in commercial leases to review and negotiate new lease • Negotiation of new lease which included 22-month rent-free period and concessions for carpets, window coverings and floor boxes
Risks due to potential relocation of Secretary General to Geneva, Switzerland	<ul style="list-style-type: none"> • Full support from tax advisor specialising in ex-pat transfers to advise on WEC's tax obligations and other requirements from the Swiss authorities related to the Secretary General's relocation to Geneva • Requirement for Secretary General to be in the London office regularly, at least once a month
Erosion of member base	<ul style="list-style-type: none"> • Regular reviewing and monitoring of Member Committees' "health" • Enhancement of AGM to provide more content and additional opportunities to interact and discuss energy issues • Monitoring system in place to assess subscription payment status and collect arrears • New Direct Membership programme approved in October, 2014, to allow single companies to join WEC directly, with the eventual aim that they will be joined by others and form a national Member Committee in their country • Strong recruitment efforts to achieve 100 Member Committees by 2016

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Loss of WEC Patrons/Global Partners or inability to recruit new Patrons and Global Partners	<ul style="list-style-type: none"> • Community managers required to prepare account plans to help provide customised service to Patrons and Global Partners • Recruitment programme and pipeline of potentials in place • Rolling, automatically renewing contracts in place to streamline renewal process • One staff member assigned to monitor invoicing and payments by Patrons and Global Partners and to chase outstanding amounts • Enhanced benefits for Patrons and Global Partners, including invitations to World Energy Leaders' Summits
Insurance, safety, security of office, equipment, network, website and staff	<ul style="list-style-type: none"> • 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
Finances and financial reserves	<ul style="list-style-type: none"> • Monthly monitoring of finances by management • Quarterly and annual financial reporting by management to Finance Committee and Trustees

After reviewing the risks to the Charity at the end of 2014, 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 serves to safeguard the Charity sufficiently against the risks it might face.

MISSION, OBJECTS AND PRINCIPAL ACTIVITIES OF THE CHARITY

The Charity's 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.

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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 WEC 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.

WEC's mission is energy-centric, with two chief areas of focus:

- Studies and research to promote sustainable energy; and
- Events to address critical energy issues and to promote dialogue among energy leaders from both the public and private sectors.

WEC's **studies and research** are intended:

- to help inform policymakers 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;
- to help inform opinion-influencers, including the media, on critical energy issues;
- to assist governments, companies and communities to work together to help prepare for a sustainable energy future;
- to raise awareness of energy issues and their impact on future generations;
- to address the problem of 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);
- to find ways to raise awareness of the risks of climate change and provide advice on ways to mitigate such risks
- to educate consumers about ways to help in the effort to mitigate climate change and to use energy more efficiently.

WEC's **leadership dialogue events**, such as its Congresses, Energy Leaders' Summits, Ministerial Roundtables and regional and national workshops, focus on bringing together energy leaders from the public and private sectors as well as civil society to:

- exchange ideas, information and best practices;
- discuss and debate critical energy issues raised in WEC's annual Issues Survey;
- encourage 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.

2014 OVERVIEW

The record-breaking 22nd World Energy Congress in Daegu, South Korea, provided WEC with significant exposure to global energy leaders, increased visibility in the media and a solid foundation on which to increase its credibility with the international energy sector and enhance its value proposition to members.

During 2014, two World Energy Leaders' Summits took place, the first in Astana, Kazakhstan, and the second in Cartagena, Colombia. The Summits are invitation-only meetings run under Chatham House rules and bring together top leaders from both the public and private sectors. The Astana event, which was co-hosted by Kazakhstan Prime Minister Massimov, was held in conjunction with the Astana Economic Forum and attracted 55 CEOs and seven energy ministers. The Cartagena WELS was part of the annual general meeting of WEC members, which this year for the first time was expanded and enhanced to include not only the usual governance meetings but also a Future Energy Leaders' Summit, a Trilemma Summit, a World Energy Leaders' Summit and a Ministerial Roundtable aimed at Latin American energy ministers. Over 700 participants attended the meetings, with 167 attending the

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WELS and 26 ministers from throughout Latin America and the Caribbean attending the Ministerial Roundtable.

Other events taking place in 2014 to increase WEC's visibility included Energy Leaders' Dialogues in Abu Dhabi, Johannesburg, Manila and Montreal. Although ELDs are smaller in scale, their aim is similar to that of the WELS – to bring together global energy leaders to discuss critical issues which impact the sector.

With the annual general meeting scheduled to take place in Colombia in 2014, WEC decided to declare 2014 the "Year of Latin America", with an increased focus on events and studies pertinent to the region. A "Scenarios deep dive" was planned, with the aim of taking the results of the global Scenarios work published in 2013, and focusing it specifically on Latin America. Latin American regional integration was also high on the WEC agenda in 2014, and to highlight this, a project was launched which aimed to measure Latin American regional energy integration projects against WEC's "energy trilemma" framework: energy security, energy equity and environmental sustainability. One important outcome of the Cartagena event was the agreement by Latin American energy ministers to hold an annual Ministerial Roundtable in the region, such was the success and positive result of the Ministerial Roundtable organized by WEC.

WEC also continued to strengthen its existing regional partnerships – with African Energy Indaba and Foren -- as well as to build new ones. New partnerships forged in 2014 included with CAF, the Latin American regional development bank, which provided funding to bring energy ministers from the region to Cartagena for the Ministerial Roundtable; and with the Asian Development Bank, with a formal agreement to partner with WEC on an annual WELS and Ministerial Roundtable to be held in conjunction with the annual Asia Clean Energy Forum.

Also in 2014, WEC's flagship studies – the World Energy Trilemma, World Energy Scenarios and World Energy Issues Monitor – launched a new round of work. Over 500 WEC members signed up to be part of "Knowledge Networks" within the various studies, with the Knowledge Networks bringing together experts to provide input into specific elements of the flagship studies. For Trilemma, the 2014 report focused on financial and investment aspects, while Scenarios began work on the Latin America deep dive as well as on the next round of global scenarios. World Energy Resources, which was formerly a stand-alone WEC flagship, has now been consolidated under the Scenarios team, with the goals of providing supporting data for all WEC flagships as well as on publishing topical reports on the various energy resources, such as hydro. The World Energy Issues Monitor achieved a record return rate for the Issues Surveys of 1,045 from 79 countries. Twenty-five countries qualified for their own issues map.

WEC continued its work on the Global Electricity Initiative in cooperation with the E-8 and the World Business Council on Sustainable Development. The GEI seeks to promote international cooperation and best practices to overcome the challenges which the "energy trilemma" presents: balancing sustainable supply of electricity, universal access and climate change; to develop a dedicated global electricity leaders' community to share best practices in a number of identified priority areas; and to produce a road map for increasing the share of renewables in the electricity production in a cost efficient and technically sound manner.

A new project, Financing Resilient Energy Infrastructure, was launched in 2014. The aim of this new work is to examine ways in which to de-risk energy investments in order to liberate and mobilise capital to accelerate the transition to a resilient global energy economy. The study is being carried out with Swiss Re and Marsh and McLennan as project partners.

WEC is also working with the Gas Centre, an organisation formerly affiliated with the UN in Geneva, to bring the organisation – which consists of key global gas companies -- into WEC. The Gas Centre has similar goals and objectives to WEC, in that its chief aims are to encourage the exchange of information and data and bring together its members to discuss critical issues affecting the global gas industry. While the final amalgamation has not yet taken place, significant progress towards this goal was achieved in 2014, thus providing additional diversity to WEC's portfolio.

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After an excellent presentation in Cartagena by the Chair of WEC's Argentinian Member Committee on an initiative to provide an overview course on energy issues to young persons, WEC decided to explore the idea of establishing the WEC Academy, which would seek to provide 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. This would not, at least at the beginning, be a course for academic credit, but rather, it would seek to provide public benefit by educating consumers and others with an interest in a sustainable energy future. The course would be carried out under WEC's global structure but administered by WEC's national Member Committees in each country. A pilot is expected to be launched in mid- to late 2015.

WEC continued to develop its visibility on the global stage not only by a heightened presence in the media but also by continuing to develop its partnerships with global organisations and events, such as the UN SE4All project, the Clean Energy Ministerial, the UNFCCC, COP, the World Trade Organisation and the World Water Council, to cooperate on projects of mutual interest.

Overall, 2014 was a year of visible and concrete achievements, solid progress and satisfying outcomes.

OTHER ACTIVITIES

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

Membership and Subscriptions

At the core of WEC are its 95 autonomous national Member Committees. These Committees pay an annual subscription to belong to WEC, with subscription revenues comprising roughly 37% of WEC's total revenues. The constituent members of each national Member Committee participate in WEC activities and contribute their time and expertise to WEC's work. A Member Services team at WEC's London headquarters is charged with ensuring that WEC's 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 global WEC network. The Member Services team consists of two full-time staff members, supported by a team of seven Regional Managers. The Regional Vice Chairs, who serve as Trustees of the Charity, also provide support.

WEC has as one of its aims to reach 100 Member Committees by the time of the 23rd World Energy Congress in 2016. However, the creation of a new Member Committee generally depends on an orchestration of commitments of individual companies, government and other stakeholders. Such orchestration is difficult and can take several years, during which it is challenging to maintain the interest of all parties. Therefore, in 2014, the Finance Committee approved a proposal to establish direct membership, a scalable engagement process for individual companies in countries where there is no WEC Member Committee. Direct Members have access to WEC 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 global WEC network and then act as ambassadors in their own country, recruiting other companies and interested parties, including the government, to join together to form a new national Member Committee. Direct Members sign a written contract with WEC and must agree to work toward formation of a Member Committee in their country over a period of three years. The aim is to use Direct Membership as a way to grow and strengthen the organisation.

Patrons and Global Partners Programmes

The Global Partners Programme was created as a pilot scheme in 2009 with two key aims: (1) to help strengthen WEC 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 WEC's work..

WORLD ENERGY COUNCIL

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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 2014, WEC signed four new Global Partners, bringing the total number to sixteen. Global Partners have created over 50 direct memberships in WEC Member Committees and in 2014, contributed £411,000 to support WEC activities.

The WEC Patrons programme has been in place since 1998 and is aimed at identifying major energy companies to partner with WEC and contribute cash or in-kind goods or services to support WEC's work. WEC Patrons are companies or organisations which are already members of a WEC Member Committee and which agree to contribute additional funds specifically to support WEC's work. The Patron income goes directly into the WEC Foundation: a designated fund within the Charity from where it is drawn to provide additional support for WEC's work programme.

Patrons are provided with direct support from the London office as well as with certain benefits which are not available to regular WEC members, including invitations to WEC's exclusive World Energy Leaders' Summits and a dedicated account manager in the London office. In 2014, WEC had sixteen Patrons, six of which provide in-kind contributions of staff and expertise, with the remainder making cash contributions. In 2014, WEC Patrons contributed £1,114,000 in revenues to support WEC's work.

Gifts in Kind

Gifts in kind in 2014 were provided by certain WEC Patrons in lieu of cash contributions. These included secondments from TEPCO (Japan) and VNG (Germany). Oliver Wyman continued as Project Partner on the World Energy Trilemma, contributing staff and other resource support for the study. The Paul Scherrer Institute continued as a project partner on Scenarios. Joining as new Project Partners/Patrons in 2014 were Swiss Re and Marsh and McLennan. Both are providing support for the Financing Resilience project.

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.

Congress

The triennial World Energy Congress is WEC's most visible and important event, bringing together energy leaders from around the world. A contract is signed with the Congress organisers guaranteeing payments to WSL, with the payments covering the organiser's use of the WEC brand, logo and website and certain advisory, marketing and support services related to the Congress provided by WEC 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 – was selected at the Cartagena meeting.

KEY PERFORMANCE INDICATORS

In 2010, WEC began to monitor its performance with respect to its work programme and charitable activities as well as its other activities (membership, Patrons and Global Partners, Congress) by establishing Key Performance Indicators and assessing progress toward these annually.

While the Secretary General is responsible for monitoring progress against the KPIs, every WEC 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 table on the following page shows the outcomes of the main Key Performance Indicators for the Charity for 2014.

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KEY PERFORMANCE INDICATORS AND ACHIEVEMENTS

KPI	Target	Achievement
Energy Leaders' Summits	WELS costs do not exceed the overall budget	<ul style="list-style-type: none"> Costs of 2014 WELS were £75,000 against a budget of £170,000. This success was due to negotiating with the organisers of each WELS to pay the majority of the costs, in return for the heightened visibility for their country and government and the presence of global energy leaders, including ministers and the CEOs of top energy companies
Energy Leaders' Summits	Positive evaluation of WELS by participants, with evaluation results of at least 4 out of 5	<ul style="list-style-type: none"> Astana: 4.4 out of 5 Cartagena: 4.4 out of 5
2014 Executive Assembly	At least 10 Latin American energy ministers attend the Ministerial Roundtable and the event is opened by the Colombian energy minister or head of state	<ul style="list-style-type: none"> 20 ministers attended Event opened by President, Vice President and Energy Minister of Colombia
2016 Congress	2016 Congress contracts signed by time of Executive Assembly in Cartagena	<ul style="list-style-type: none"> Contracts signed in Cartagena and a formal signing ceremony was held in Istanbul in December
Visibility	Increase overall media coverage of WEC 20% above 2013 levels	<ul style="list-style-type: none"> Increase of 57% over 2013 levels
Member Committees	Stable membership of 95 Member Committees retained	<ul style="list-style-type: none"> Albania and UK withdrawn Chile, Ecuador and fully new, rebuilt UK Committee approved for membership for net gain of 1

WORLD ENERGY COUNCIL
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Flagship Studies – World Energy Trilemma	Publication of 2014 Policy Assessment with a representative sample of at least 20 finance leaders interviewed for the report and the report includes country profiles	<ul style="list-style-type: none"> • Over 40 financial leaders interviewed • Country profiles included in report
Flagship Studies – World Energy Issues Monitor	At least 80 completed surveys returned All global and regional maps ready by 31 December At least 25 countries qualify for own country map	<ul style="list-style-type: none"> • Over 1,000 completed surveys returned • All global and regional maps completed by end October • 27 countries qualified for own country map
Regional Events	MoU signed for formal partnership with at least one regional development bank	<ul style="list-style-type: none"> • MoU signed with CAF to help support ministerial attendance at Cartagena Ministerial Roundtable • MoU signed with Asian Development Bank to co-host WELS and Ministerial Roundtable in conjunction with annual Asia Clean Energy Forum
Subscriptions	At least 85% of total invoiced subscriptions paid by year-end	<ul style="list-style-type: none"> • 86.8% of subscriptions paid by year-end
Arrears Recovery	At least 30% of outstanding subscription arrears from past years recovered by year-end	<ul style="list-style-type: none"> • 41.3% recovered
Year-End Revenues	Overall non-Congress revenues increase by 5% compared to 2013	<ul style="list-style-type: none"> • 5% = £119,000 • Achieved: £350,000
Patrons and Global Partners	At least 5 net Global Partner Equivalent (NGPE) signed	<ul style="list-style-type: none"> • NGPE of 5 achieved
Office Move	Manage move of London office to new headquarters within budget	<ul style="list-style-type: none"> • Approved budget was £250,000 • Expenditures, including write-off for depreciated fixed assets in former office, was £183,000

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
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FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA) set out on page 22 shows the following results for the

KPIs which were not met		
Flagship Studies: Scenarios	Develop additional support/resources for Scenarios, either via a secondment or by signing a Project Partner by end of 2014	<ul style="list-style-type: none"> Accenture contract for Scenarios project partnership was still under negotiation at year-end
Flagship Studies – World Energy Resources	At least one World Energy Resources Perspective Paper published	<ul style="list-style-type: none"> Perspectives paper on hydro draft ready at end of year, but paper not published by year-end

year.

Income Generation

Income generation during the year was £4,281,000 (2013: £4,659,000). The primary sources of income were membership subscriptions, Congress revenues and the WEC Patrons and Global Partners programmes.

Subscription income was £1,452,000 (2013: £1,499,000) for the year.

The Patrons contributed £1,114,000 (2013: £880,000), which was added to the designated fund, the WEC Foundation, and WEC's Global Partners contributed £411,000 (2013: £317,000) to support WEC's work.

Resources Expended and Services

Total resources expended by WEC and WSL in 2014 amounted to £4,501,000 (2013: £4,527,000). These included expenditures of £3,162,000 (2013: £2,695,000) 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.

WEC'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 WEC (excluding the WEC 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 2014.

**WORLD ENERGY COUNCIL
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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 in non-Charity Commission funds, the Foundation currently holds no foreign currency investments.

Fund managers for the Charity and the Foundation are listed on page 2 of these financial statements. All funds are invested with top-tier UK banks or other secure institutions.

In 2014, the Trustees authorised a total utilisation from the Foundation of £700,000 to support the Charity's work programme.

At the end of 2014, the Foundation's assets totalled £1,227,000 (2013: £762,000) and the group investments, excluding cash deposits, were valued at £404,000 (2013: £608,000).

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. For 2014, free reserves of £377,000 (2013: £1,107,000) were held as of 31 December 2014.

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.

WEC'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. 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.

For 2014, the level of reserves required according to the stated policy was £1,337,000. The Trustees have noted the difference between free reserves and the requirement in the reserves policy and are comfortable that when the designated funds in the WEC Foundation are factored in, WEC has sufficient reserves to fund its work programme and operate the office for at least six months.

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, neither WEC nor WSL 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.

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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.

FUTURE PLANS

Based on the Trustees' review of the organisation's overall financial health, including expected revenues from membership subscriptions, Patrons and Global Partners and the 2016 Congress, the status of the investment portfolio; and the reserves levels, the Trustees believe that the Charity is stable and will continue to operate. The Trustees believe the Charity must also take the following actions to ensure that it remains viable and strong for the future:

- Build on the progress made in 2014, particularly with respect to increasing WEC's visibility, credibility and presence on the global energy scene, through the presence of top CEOs, energy ministers and other important energy leaders, at the World Energy Leaders Summits and Ministerial Roundtables;
- Monitor revenues and expenditures to ensure WEC operates with a balanced budget, that there are sufficient financial resources to support WEC's work; and that WEC has sufficient cash reserves on hand to meet unexpected emergencies;
- Seek, where feasible, to develop new revenue streams, including the possibility of developing a consultancy service to provide customised scenarios to members, companies and governments;
- Continue to monitor the stability and robustness of WEC's member base, develop additional ways to foster strong, active Member Committees and recruit new Member Committees, with a target of reaching 100 by the time of the 2016 Congress;
- Seek to prepare a new subscription formula which will be perceived by members as transparent and fair;
- Ensure that annual membership subscriptions are paid, seek to recover arrears and find ways to support or rebuild Member Committees which are struggling financially;
- Continue to promote and develop direct membership as a scalable way to create, over time, new national Member Committees;
- Seek additional Patrons to help support WEC's work financially, continue to develop Project Partners to enhance the resources in the London office; and seek new Global Partners to help strengthen Member Committees;
- Work to create the Global Gas Centre as a formal programme under WEC in order to increase WEC's penetration into the global gas community;
- Continue to pursue the idea of a WEC Academy, which would 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;
- Continue to develop the website as a resource and information tool for members, Patrons and Global Partners, government officials, the media, students and the general public in order to benefit the public good;
- Continue to develop partnerships with regional development banks and other regional platforms to enhance and develop regional integration projects;
- Continue to build and strengthen alliances with other global and regional bodies, such as the UN, COP and regional development banks and explore joint projects and partnerships with these organisations;
- Focus necessary resources on the preparations for the 2016 World Energy Congress in order to ensure a successful event.

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TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2014**

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 1. New Directors appointed at the 2014 Executive Assembly in Daegu, South Korea, assumed their seats on 13 October and are also listed on page 1 of this report.

Approved by the Board on 16 June 2015 and signed on behalf of the Board by



Marie-José Nadeau
Chair
World Energy Council



Klaus-Dieter Barbknecht
Director and Chair, Finance Committee

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 2014 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 2011. 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 2014 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.

N May

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: *22 July 2015*

WORLD ENERGY COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Unrestricted Funds 2014 £'000	Restricted Funds 2014 £'000	Total 2014 £'000	Total 2013 £'000
INCOMING RESOURCES					
Income from activities in furtherance of the Charity's objects					
--Subscription fees		1,452	-	1,452	1,499
--Patron income		1,114	-	1,114	880
--Global Partner Income		411	-	411	317
--Gifts in kind		883	-	883	945
Activities for generating funds					
--Other income		77	120	197	203
Interest		1	-	1	-
Dividends		13	-	13	15
Congress Income		330	-	330	800
Total incoming resources	2d	4,281	120	4,401	4,659
RESOURCES EXPENDED					
Charitable Activities					
--Subscription costs		569	-	569	517
--Work programme		3,162	-	3,162	2,695
--Congress expenditure		87	-	87	928
--Patron and Global Partner Costs		476	-	476	362
Office relocation costs		183	-	183	-
Governance costs		24	-	24	25
Total resources expended	4	4,501	-	4,501	4,527
Net incoming resources		(220)	120	(100)	132
Other recognised gains and losses					
Total gains on investments		6	-	6	56
Net movement in funds		(214)	120	(94)	188
Accumulated fund balances brought forward		2,023	-	2,023	1,835
Accumulated fund balances carried forward		1,809	120	1,929	2,023

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

The notes on pages 24 to 32 form part of these financial statements.

WORLD ENERGY COUNCIL
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
FIXED ASSETS					
Tangible assets	8	202	202	151	151
Investments	9	414	414	408	408
		<u>616</u>	<u>616</u>	<u>559</u>	<u>559</u>
CURRENT ASSETS					
Debtors	10	1,115	1,245	738	1,461
Short term deposits		4	4	4	4
Cash at bank and in hand		2,007	1,871	1,873	1,145
		<u>3,126</u>	<u>3,120</u>	<u>2,615</u>	<u>2,610</u>
CREDITORS: amounts falling due within one year	11	<u>(1,813)</u>	<u>(1,807)</u>	<u>(1,151)</u>	<u>(1,146)</u>
NET CURRENT ASSETS		<u>1,313</u>	<u>1,313</u>	<u>1,464</u>	<u>1,464</u>
TOTAL ASSETS		<u>1,929</u>	<u>1,929</u>	<u>2,023</u>	<u>2,023</u>
FUNDS	13 & 14				
Restricted		120	120	-	-
Unrestricted					
Designated Funds - WEC Foundation		1,227	1,227	762	762
- Gerald Doucet Memorial Fund		3	3	3	3
General		579	579	1,258	1,258
		<u>1,929</u>	<u>1,929</u>	<u>2,023</u>	<u>2,023</u>

These financial statements were approved by the Board and authorised for issue on 16 June 2015 and signed on their behalf by:



Marie-José Nadeau
Chair
World Energy Council



Klaus-Dieter Barbknecht
Director and Chair, Finance Committee

The notes on pages 24 to 32 form part of these financial statements.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. STRUCTURE OF GROUP

World Energy Council is comprised of two legal entities:

World Energy Council (WEC), a Charity registered under the laws of England and Wales. The WEC Foundation is a designated fund within the Charity which administers and invests income from the Patrons' programme. The Patron income is used to help fund the WEC work programme.

WEC Services Limited (WSL), a company with share capital registered in England and incorporated on 18 June, 2001. WSL forms the trading subsidiary of the Charity. A further description of the subsidiary is given in Note 14 and in the separate financial statements for WEC Services Limited.

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Companies Act 2006.

b) Consolidation

The financial statements of the subsidiary are consolidated with those of the Charity on a line-by-line basis. The company claims exemption from the requirement to file an individual statement of profit and loss under section 408 of the Companies Act 2006.

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 WEC members; Patron income, which represents corporate contributions for work programme purposes and is credited directly to the WEC Foundation, a designated fund; and Global Partner income, which represents corporate contributions that are non-restricted and non-designated. Subscriptions from WEC 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 certainty, 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.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

d) Incoming resources (continued)

Gifts received in kind are recognised as income at a reasonable estimate of their gross value to the Charity based on what would have to be paid in the open market for an equivalent item. Where the gifts represent a service, a corresponding cost is included in expenditure. Gifts are accounted for on a received basis.

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 4 years
Office equipment	- over 3 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.

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.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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) Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No. 1 to prepare a cash flow statement, as it is entitled to the filing exemptions as a small company under section 444 of the Companies Act 2006 when filing accounts with the Registrar of Companies.

m) 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 new 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.

3. RESULTS OF THE PARENT CHARITY

Of the total consolidated income £3,951,000 (2013: £3,812,000) relates to income generated by the parent charity. The parent charity made a deficit of £513,000 in the year (2013: deficit of £537,000).

4. RESOURCES EXPENDED	2014	2013
	Total	Total
	£000	£000
<i>Subscription costs</i>		
Staff costs	218	188
Membership support	37	6
Bad debts	157	150
Travel and entertainment	126	148
Support costs	31	25
	569	517
<i>Work programme</i>		
<u>Flagship Processes and Global Frameworks</u>		
Staff costs	766	428
Gifts in kind	808	795
Technical Programmes (Performance of Generating Plant and Energy Efficiency)	14	54
World Energy Trilemma (Policy Assessment)	71	156
Financing Resilient Energy Infrastructure	7	-
World Energy Resources	10	15
Global Electricity Initiative	64	30
World Energy Scenarios	72	117
Rules of Trade	7	5
World Energy Issues monitor	4	-
Energy Access	-	(5)
Support costs	368	278
<u>Regional agenda</u>		
Staff costs	199	120
Gifts in kind	75	75
General expenses	12	30

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4. RESOURCES EXPENDED (CONTINUED)	2014 Total	2013 Total
<u>Regional agenda (cont'd)</u>		
Regional managers' fees	-	1
Asia	17	11
Africa	25	20
Europe	14	14
LAC	30	16
Middle East/Gulf States	20	14
North America	15	-
Regional Development	27	-
Support costs	88	56
<u>Communications & Outreach</u>		
Staff costs	215	228
Miscellaneous	9	10
Website	-	-
Publications/editing	27	60
Consultancy	44	6
Travel and hospitality	56	50
Support costs	98	111
Work Programme total	3,162	2,695
Congress		
Staff costs	59	463
Gifts in kind	-	75
Congress expenditure	24	172
Support costs	4	218
	87	928
Patron & Global Partner Costs		
Staff costs	292	109
Patron and Global Partner costs	14	5
World Energy Leaders Summits	71	196
Support costs	99	52
	476	362
Governance costs		
Audit	23	21
Trustee meetings and expenses	1	4
	24	25
Office relocation costs	183	-
TOTAL RESOURCES EXPENDED	4,501	4,527

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5. SUPPORT COSTS

	2014	2013
	Total	Total
	£'000	£'000
Support costs		
Operations and HR	171	225
Accommodation costs	201	170
Office equipment and services	88	95
IT services	76	113
Legal, professional and accountancy	102	82
Depreciation	50	55
	688	740

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

6. STAFF COSTS

	2014	2013
	£'000	£'000
Wages and salaries	1,472	1,484
Social security costs	123	141
Pension costs	93	100
Other staff costs	61	37
	1,749	1,762

Emoluments during the year:

Band	2014	2013
£320,001-£330,000	1	1
£80,001-£90,000	2	2
£70,001-£80,000	2	1
£60,001-£70,000	2	2

Employer pension contributions of £68,734 (2013: £99,848) were made on the employees' behalf.

The average number of employees during the year, calculated on a full-time equivalent basis, was 24 (2013: 19).

7. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees neither received nor waived any emoluments during the year (2013: £nil). During the year, £7,423 (2013: £5,606) was reimbursed to or paid on behalf of two Trustees for travel expenses.

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8. TANGIBLE FIXED ASSETS

All tangible fixed assets are held by the Charity.

	Leasehold improvements £'000	Office equipment £'000	CRM Database £'000	Website £'000	Total £'000
Cost					
At 1 January 2014	317	200	27	193	737
	170	36		-	206
Additions			-		
Disposals	(196)	-	-	-	(196)
At 31 December 2014	291	236	27	193	747
Accumulated depreciation					
At 1 January 2014	201	178	14	193	586
	19	24	7	-	50
Charge for period					
Disposals	(91)	-	-	-	(91)
At 31 December 2014	129	202	21	193	545
Net Book Values					
At 31 December 2014	162	34	6	-	202
At 31 December 2013	116	22	13	-	151

9. FIXED ASSET INVESTMENTS

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

	2014 £'000	2013 £'000
Market values		
Market value at 1 January 2014	298	352
Additions at cost	110	-
Disposals at opening market value	-	(110)
Realised gain on disposal of investments	-	15
Unrealised gain on investments	6	41
Market value at 31 December 2014	414	298
Cash held pending investment	-	110
Total investment value at 31 December 2014	414	408
Historical cost at 31 December 2014	248	138

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

	2014 £'000	2013 £'000
Fixed interest securities	40	35
Equity shares	374	263
	<u>414</u>	<u>298</u>

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

		2014 £'000	2013 £'000
Units held			
19,666	HSBC Common Fund for Income	24	22
9,653	COIF	118	112
32,744	Schroders	118	118
27,446	BlackRock Charishare Common Investment Fund	138	33

10. DEBTORS

	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
Trade debtors	1,047	847	673	673
Amount due from subsidiary company	-	330	-	723
Other debtors	25	25	13	13
Prepayments	43	43	52	52
Accrued income	-	-	-	-
	<u>1,115</u>	<u>1,245</u>	<u>738</u>	<u>1,461</u>

11. CREDITORS: amounts falling due within one year

	Group 2014 £'000	Charity 2014 £'000	Group 2013 £'000	Charity 2013 £'000
Trade creditors	209	209	120	120
Taxation and social security costs	34	34	38	38
Accruals	315	309	238	233
Deferred income	1,125	1,125	682	682
Other	130	130	73	73
	<u>1,813</u>	<u>1,807</u>	<u>1,151</u>	<u>1,146</u>

	2014 £'000	2013 £'000
Deferred income reconciliation:		
Balance brought forward	682	872
Received in year	1,995	1,064
Utilised in year	<u>(1,552)</u>	<u>(1,254)</u>
Balance carried forward	<u>1,125</u>	<u>682</u>

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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, analysed to the period in which each lease expires. All commitments relate to the Charity.

Obligations under operating leases comprise	Group 2014 £'000	Group 2013 £'000
Land and buildings		
Expiring within 1 year	-	61
Expiring in more than 5 years	172	-
Fixtures and fittings		
Expiring between 2 and 5 years	13	13

13. STATEMENT OF FUNDS

	1 Jan 2014 £'000	Income £'000	Expenditure £'000	Investment Gains £'000	31 Dec 2014 £'000
Restricted funds	-	120	-	-	120
General reserve	1,258	3,154	(3,833)	-	579
<u>Designated</u>					
Foundation	762	1,127	(668)	6	1,227
Gerald Doucet					
Memorial Fund	3	-	-	-	3
Total	2,023	4,401	(4,501)	6	1,929

The Foundation fund represents funds set aside at the Trustees' discretion to assist in the further development of the WEC work programme.

The funds in the Gerald Doucet Memorial Fund are used to support WEC's work with young people, e.g., Future Energy Leaders programme.

The funds shown as "Restricted" are the amounts paid by the founding members of the new UK WEC Member Committee and are held custodially by WEC London until such time as UK WEC establishes its legal status in the UK and opens a bank account. The funds are solely for the use of UK WEC in order to pay its annual subscription to WEC, to compensate its part-time Executive Director and to carry out a programme of activities for its members.

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14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted			Restricted	Total
	General	Foundation	Gerald Doucet Memorial Fund	Funds	
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	202	-	-	-	202
Investments	-	414	-	-	414
Net current assets	377	813	13	120	1,313
	<u>579</u>	<u>1,227</u>	<u>3</u>	<u>120</u>	<u>1,929</u>

15. SUBSIDIARY COMPANY

The Charity owns the whole of the issued ordinary share capital of WEC Services Ltd, a company registered in England. 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. All activities have been consolidated on a line by line basis in the Statement of Financial Activities. The total net profit is gifted to the Charity. A summary of the results of the subsidiary is shown below.

	Total 2014 £'000	Total 2013 £'000
Turnover	330	847
Administrative expenditure	(31)	(178)
Net profit/(loss)	<u>299</u>	<u>669</u>
Profit on ordinary activities	299	669
Payment under gift aid	(299)	(669)
Retained profit for the year	<u>-</u>	<u>-</u>

The aggregate of the assets, liabilities and funds was:

Assets	299	728
Liabilities	(299)	(728)
Funds	<u>-</u>	<u>-</u>

16. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption which is conferred by Financial Reporting Standard No.8, 'Related Party Disclosures' that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.