

Company Number: 4184478
Charity Number: 1086559

WORLD ENERGY COUNCIL
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

**WORLD ENERGY COUNCIL
YEAR ENDED 31 DECEMBER 2013**

CONTENTS	Page
Legal and Administrative Information	1-2
Trustees Report	3-19
Auditors' Report	20-21
Consolidated Statement of Financial Activities	22
Consolidated and Charity Balance Sheet	23
Notes to the Consolidated Financial Statements	24-32

WORLD ENERGY COUNCIL
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2013

TRUSTEES

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

NAME

Birnbaum, Leonhard	
Cho, Hwan-Eik	Term began 1 February 2013; term ended 13 October 2013
Choudhury, Arup Roy	
da Costa Carvalho Neto, José	# + ^ Term began 1 February 2013
Dauger, Jean-Marie	+ ∅ # + ^ Term began 1 July 2013
Gadonneix, Pierre	*+ ∅ # + ^ Term ended 13 October 2013
Kim, Joong-Kyum	Resigned 31 January 2013
Kim, Younghoon David	* # + ^ Term began 13 October 2013
Liu, Tianen	Resigned 10 June 2013
Meyers, Kevin	Term ended 13 October 2013
Mohale, Bonang	Term began 13 October 2013
Morris, Michael	Resigned 31 January 2013
Nadeau, Marie-José	*+ ∅ # + ^
Oskvig, Dean	Term began 13 October 2013
Sambo, Abubakar	Term ended 13 October 2013
Statham, Brian	* + ∅ # + ^
Vargas Lleras, José Antonio	
Ward, Graham CBE, MA, FCA	* ∅ ≠
Wu, Xinxiong	Term began 11 June 2013
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 & Outreach Committee
≠ Indicates Senior Independent Director

SUBCOMMITTEES OF THE BOARD OF TRUSTEES

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: Pierre Gadonneix (until 13 October 2013); Marie-José Nadeau (from 13 October 2013)

Members: Jean-Marie Dauger; Brian Statham; Graham Ward, CBE, MA, FCA

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

Members: Klaus-Dieter Barbknecht; Pierre Gadonneix (ex officio, until 13 October 2013); Xiangqian Jiang (term began 13 October 2013); Younghoon David Kim (ex officio, from 13 October 2013); Shiguru Muraki; Marie-José Nadeau (ex officio, from 13 October 2013); Brian Statham

WORLD ENERGY COUNCIL
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2013

NOMINATIONS COMMITTEE

The Nominations Committee is responsible for nominating new Trustees/Directors and for developing the slate of nominees for appointment to the Standing Committees.

Chair: Pierre Gadonneix (until 13 October 2013); Marie-José Nadeau (from 13 October 2013)

Members: Jean-Marie Dauger; Brian Statham

SECRETARY GENERAL: Dr Christoph Frei

REGISTERED OFFICE

World Energy Council, Regency House, 1-4 Warwick Street, London, W1B 5LT, UK

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

RCM Allianz Dresdner (UK) Ltd

Schroders Unit Trusts Limited

WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013

The Board of Trustees, who are also the Directors of the Charity, present their annual report for the year ended 31 December 2013 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 to 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 92 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 Outreach, 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, at the end of which the Co-Chair automatically assumes the office of Chair.

WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013

During his/her term as Co-Chair, the Trustee is integrated and oriented into the organisation so that s/he can eventually take on the role of Chair. The Co-Chair also supports the Chair during his/her three-year term.

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 performance of the WEC Chair and Finance Chair are evaluated annually by the board and the Finance Committee members respectively. 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 were carried out for 2013 in accordance with the agreed criteria and process.

All Trustees/Directors are required to confirm annually 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.

Based on these criteria, all current directors appear to be independent.

The Chair of Finance serves as the senior independent director 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 familiar with and promote WEC's work, participate in meetings of the board and Executive Assembly and normally support their travel and 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

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

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 2013:

BOARD (OFFICERS COUNCIL) MEETINGS

	5 February	3 April	3 July	10 September	13 October
Birnbaum	√	√		√	√
Cho					√
Choudhury	√				
da Costa	√				√
Dauger	--	--	√	√	√
Gadonneix	√	√	√	√	√
Kim, J.K.					
Kim, Y.D.		√	√		√
Liu			--	--	--
Meyers					
Morris	--	--	--	--	--
Nadeau	√	√	√	√	√
Sambo		√	√		√
Statham	√		√	√	√
Vargas Lleras	√		√		√
Ward	√	√	√		√
Wu	--	--			
Zatari	√				√

FINANCE COMMITTEE MEETINGS

	2 July	19 August	13 October
Ward (Chair)	√		√
Barbknecht	√	√	√
Gadonneix	√	√	√
Muraki	--		√
Nadeau	√	√	√
Statham	√	√	√

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

NOMINATION COMMITTEE MEETING

	3 April
Gadonneix	√
Dauger	--
Nadeau	√
Statham	√

REMUNERATION COMMITTEE MEETINGS

	5 February	21 February	2 July
Gadonneix (Chair)	√	√	√
Morris		√	√
Nadeau	√	√	√
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 and 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 the

WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013

company which would absorb or extinguish taxable profits that would otherwise be available for distribution. During 2013, WSL made an operating profit of £669,000 (2012: £122,000).

WSL's primary activities and outcomes for the reporting period were focused on the 2013 World Energy Congress held in Daegu, South Korea in October. The Congress was a substantial success, attracting over 7,500 participants from around the world.

In 2013, the Congress organisers paid the final instalment to WSL of the £1,100,000 required by the Congress contract. This amounted to £800,000, with the other £300,000 having been paid in 2011 and 2012.

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.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

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.

The quarterly variance letter provided by management to the Trustees, which accompanies the quarterly financial reports provides an update on any risks which could 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 2013 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"> • Exploration of possible financial benefits to be had from current landlord with respect to dilapidations • Interviews with designers, solicitors and commercial estate agents to determine potential costs of move • Exploration of possibility of rent-free or reduced rent period or other incentives for new premises • Development of budget based on input from agent, solicitors, designers and on current financial assets • Aim to relocate to premises in central London so as not to risk losing staff due to increased commute time
Risks due to potential relocation of Secretary General to Geneva, Switzerland	<ul style="list-style-type: none"> • Advice from tax specialists on tax obligations to WEC which may be created by the relocation • Advice from personnel and contract solicitors on specific requirements for the new contract • Full analysis of the potential budget impact and assessment of whether this is manageable within the current budget • Assessment of impact on WEC London staff and clear delineation of duties and responsibilities • Requirement for Secretary General to be in the London office regularly

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

<p>Reputational risk if Daegu Congress did not meet targets or expectations</p>	<ul style="list-style-type: none"> • Continuing development by WEC London of strong programme • Reserving a special WEC hotel block in Daegu for WEC key stakeholders due to scarcity of hotel rooms in the city • Focusing a dedicated WEC staff member on liaising with ministers' offices • WEC London team managing sessions • Weekly registration reporting from Daegu, comparative figures against Montreal • WEC LO reviewing and advising on logistics arrangements, e.g., transport, room set ups, translation • Korean Organising Committee providing regular updates and facilitating support from the Korean government • Korean OC hiring additional staff for support purposes
<p>Erosion of member base</p>	<ul style="list-style-type: none"> • Regular reviewing and monitoring of Member Committees' "health" • Tracking by Member Services team to identify potential issues and ensure member satisfaction
<p>Loss of WEC Patrons/Global Partners or inability to recruit new Patrons and Global Partners</p>	<ul style="list-style-type: none"> • Community managers and accounts plans being put in place to monitor Patrons and Global Partners • Recruitment programme and pipeline of potentials in place • Rolling, automatically renewing contracts in place to streamline renewal process • Exploring opportunities to sign project partnerships, secondments and other gifts in kind as options for new Patrons
<p>Insurance, safety, security of office, equipment, network, website and staff</p>	<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
<p>Retention of qualified staff</p>	<ul style="list-style-type: none"> • Staff salaries reviewed regularly for equity with local market • Staff benefits programme in place • Grievance procedure clearly stated in Staff Policy Manual • Staff performance assessed regularly, with financial incentives for achieving targets

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

Legal issues	<ul style="list-style-type: none"> • Appropriate legal advisors in place • Issues reported to Finance Committee and Officers as necessary on a quarterly basis or, if urgent, immediately • Policy of Internal Control and Staff Policy Manual set out guidance on dealing with legal issues
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 2013, 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.

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;

WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013

- 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 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 both the public and private sectors 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.

2013 – A LANDMARK YEAR FOR WEC

WEC's triennial World Energy Congress is its most important event in terms of promoting its work and its messages, bringing together global energy leaders and others to debate and discuss key energy issues and enhancing its visibility, not only within the media but within companies, governments, future energy leaders and organisations such as the UN, IEA and UNFCCC, who are involved in or concerned with energy.

Most of 2013 was focused on preparing for and holding the 22nd World Energy Congress in Daegu, South Korea. For the first time, the WEC London office took on the pivotal role of preparing the Congress programme and content, which included developing the overall structure and session topics and inviting and managing speakers, including CEOs of energy companies, energy ministers, policymakers, experts and representatives from a number of intergovernmental and non-governmental organisations as well as from civil society.

The Congress was a major success in terms of attendance, breaking all previous records, with over 7,500 attendees from 115 countries and 57 ministers and heads of state. The President and Prime Minister of Korea gave keynote speeches during the Congress, and the Korean Ministry of Trade, Industry and Economy co-signed a Daegu Declaration setting out key action points and messages which emerged from the Congress. UN Secretary General Ban Ki Moon, a native of Korea, delivered a welcome message to Congress participants and 267 speakers delivered remarks in 62 sessions over four days.

The Congress also attracted more than 700 media, which created heightened visibility for WEC and increased media exposure: over seven-fold compared to the 21st Congress in 2010.

A group of 100 young energy professionals gathered during the Congress and spent four days discussing energy issues, developing ideas and solutions and preparing a declaration of the outcomes and conclusions of their discussions. This declaration was presented at the Congress Closing Ceremony and was received with great enthusiasm.

Two of WEC's flagship studies were also launched or featured at the Congress: the 2013 editions of the World Energy Trilemma and World Energy Scenarios.

A series of private, by-invitation-only roundtables were organised by WEC during the Congress, with each roundtable having a different focus and target audience, including business leaders, government officials and policy-makers, civil society and non-governmental organisations and those engaged in work on energy access.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

While the effort of preparing the 22nd Congress placed significant demands on the WEC staff, the exceptionally positive feedback, level of media coverage, engagement with government and business, success of the Congress programme and record-breaking attendance made this effort very worthwhile and rewarding.

The 2013 annual WEC Issues Survey was also carried out during the year, with responses received from nearly 900 global energy leaders in 87 countries. Over 20 WEC member countries submitted enough responses to qualify for their own country map. The Issues Monitor was launched during Energy Indaba in February, 2014, with the new edition being upgraded not only in the breadth and depth of responses but with professional layout and design.

Regional forums and events were held for most of WEC's regions, including Energy Indaba for Africa, Foren for Central and Eastern Europe, Western Europe in Paris and a meeting of the Latin America and Caribbean region in Bolivia.

The World Energy Trilemma, launched in 2009 in partnership with Oliver Wyman, has grown and expanded and now includes not only an extensive, multi-faceted Sustainability Index, which allows comparison of countries based on how well their energy policies meet the "energy trilemma" of climate mitigation, security of supply and social equity but also a new rating system that will allow development banks and other potential investors to use this tool in their assessment of loan decisions.

WEC's Scenarios study was completed and successfully launched at the Daegu Congress. Over 20 workshops, interactive sessions and Study Group meetings were held in 2013 to gather input and to promote the results and outcomes. The two words – Jazz and Symphony – used to describe the two scenarios, quickly became "buzz words" at the Daegu Congress and in the media.

WEC continued its involvement as lead partner on the Global Electricity Initiative, working with the E-8 and the World Business Council on Sustainable Development, to address how the world's large electricity companies can help provide electricity to the nearly two billion persons in the world who do not currently have such access.

In 2013, WEC also launched a new, professionally designed brochure to explain its work and its mission; the brochure, along with new presentation templates and publication launch kits, was rolled out for WEC members to use. Preparations began at the end of 2013 for production of a WEC video that will also be used to help promote the organisation.

Two Energy Leaders' Summits were held in 2013: one in New Delhi, India in February and one in Beijing, China in April. The Indian event was held in conjunction with the Indian Energy Congress, an annual event hosted by WEC's Indian Member Committee, while the event in China was co-hosted with WEC's Chinese Committee and the China International Overseas Development and Planning Agency. Both events attracted nearly 100 high-level participants, including business and government leaders from the host country and around the globe.

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, such as the UN, the World Trade Organisation and the World Water Council, to cooperate on projects of mutual interest. With the support of UN Secretary General Ban Ki-Moon, WEC's work on energy access has now been formally linked with the UN's Sustainability Energy for All (UNSE4All) initiative.

Overall, 2013 was a year that saw WEC take a great leap forward in terms of its global visibility as well as with its events and studies. The outstanding success of the 22nd World Energy Congress capped off what was a gratifying, albeit challenging year.

OTHER ACTIVITIES

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

WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013

Membership and Subscriptions

At the core of WEC are its 92 autonomous Member Committees. These Committees pay an annual subscription to belong to WEC collectively comprising just over 40% of WEC's budget and their members volunteer their time and expertise to help to carry out WEC's work. It is vitally important to ensure that the Member Committee base is strong and robust. The London office has one dedicated full-time staff member responsible for membership. She is supported by a team of six Regional Managers as well as by the officers, Secretary General and senior staff in the London office, who assist and assess the Member Committees' activity level, financial stability and membership strength.

Through direct communication, visits, telephone calls and electronic interactions, WEC monitors the "health" of its Member Committees by checking their participation level (membership in Standing Committees, study groups and Knowledge Networks; completion of surveys which WEC distributes; attendance at regional and global WEC events); their financial situation (outstanding subscription balance or arrears); and the benefits and programmes they offer their own members (tiered membership structure, at least one membership meeting a year; own website; own publications; engagement with government).

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. 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. As Global Partners, these companies are given access to WEC's worldwide network. In 2013, WEC had thirteen Global Partners who have created 42 direct memberships in WEC Member Committees and have contributed just over £300,000 to WEC.

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 targeted at enhancing their experience as a Patron, including invitations to WEC exclusive World Energy Leaders' Summits and a dedicated client manager in the London office. In 2013, WEC had sixteen Patrons, four of which provide in-kind contributions of staff and expertise, with the remainder making cash contributions. In 2013, WEC Patrons contributed nearly £900,000 in revenues to support WEC's work.

Gifts in Kind

Gifts in kind in 2013 were provided by certain WEC Patrons in lieu of cash contributions. These included secondments from TEPCO (Japan), VNG (Germany) and SK Energy (Korea). 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 and Bloomberg New Energy Finance provided support for World Energy Resources.

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.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

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. The contract with the Daegu organisers required them to pay WEC, through its trading subsidiary, WSL, a total sum of £1,100,000 over the three years leading up to the Congress. Of this, £150,000 was paid in 2011, another £150,000 in 2012 and the remaining £800,000 in 2013.

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 below shows the outcomes of the main Key Performance Indicators for the Charity for 2013. It is important to note that despite the challenge of WEC London making a significant contribution to the programme for the 22nd World Energy Congress, the Charity was able to achieve nearly all of its KPIs for the year. This shows that staff members are engaged, committed and working together as a team to perform at a very high level.

KEY PERFORMANCE INDICATORS AND ACHIEVEMENTS

KPI	Target	Achievement
2013 Congress Participation	<ul style="list-style-type: none"> • 3,500 delegates • 100 countries represented 	<ul style="list-style-type: none"> • 123 countries represented • 7,567 total attendees compared to 4,178 for 2010 Congress • Top 5 countries: Korea (4,651), Russia (383), China (314); Japan (267), UK (140)
2013 Congress Participation	<ul style="list-style-type: none"> • 75 WEC Member Committees attend Congress and AGM 	<ul style="list-style-type: none"> • 76 WEC Member Committees attended
2013 Congress Participation	<ul style="list-style-type: none"> • 50 ministers from 30 countries attend the Congress 	<ul style="list-style-type: none"> • 52 ministers from 38 countries present
2013 Congress Key Messages	<ul style="list-style-type: none"> • Process for developing key message from Congress defined, with group to prepare key Congress messages appointed by July Officers Council meeting and key messages for Congress defined and approved by Officers Council before the Daegu Congress 	<ul style="list-style-type: none"> • Process developed, group defined, key messages prepared at September Officers Council meeting

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

2013 Congress Key Messages	<ul style="list-style-type: none"> • “Daegu Declaration” signed with Korean Ministry of Trade, Industry and Economy for presentation to Clean Energy Ministerial in 2014 	<ul style="list-style-type: none"> • Daegu Declaration co-signed by WEC and Korean Ministry of Trade, Industry and Economy at the Daegu Congress
2013 Congress Media Visibility	<ul style="list-style-type: none"> • Achieve more than the 713 mentions for the 2010 Congress 	<ul style="list-style-type: none"> • Total number for 2013 Congress was 5,126
Flagship Studies	<ul style="list-style-type: none"> • Data from World Energy Resources is made available electronically on WEC website 	<ul style="list-style-type: none"> • Achieved, with all data from WER available on website for first time in history
Flagship Studies	<ul style="list-style-type: none"> • At least one fact sheet on Resources is published before 22nd Congress 	<ul style="list-style-type: none"> • Fact sheet on unconventional oil published in June and featured at Estonian Oil Shale Conference in June
Flagship Studies	<ul style="list-style-type: none"> • Publication and launch of 2013 World Energy Trilemma before the Congress 	<ul style="list-style-type: none"> • 2013 Trilemma published and launched in New York two weeks prior to 22nd Congress
Flagship Studies	<ul style="list-style-type: none"> • Trilemma report enhanced with either country profiles or enhanced Sustainability Index or with the ranking system changed to rating system 	<ul style="list-style-type: none"> • All Trilemma enhancements achieved: country profiles included, Sustainability Index further enhanced and refined; ranking system changed to rating system
Flagship Studies	<ul style="list-style-type: none"> • World Energy Scenarios published and launched at Congress, with a regional “deep dive” approved for Latin America 	<ul style="list-style-type: none"> • World Energy Scenarios published and launched at Congress • LAC region approves regional “deep dive” for 2014
2013 Issues Survey	<ul style="list-style-type: none"> • Number of individual responses exceeds the 274 received in 2012 • 80 surveys completed 	<ul style="list-style-type: none"> • 891 responses received • 87 surveys completed
2013 Issues Survey	<ul style="list-style-type: none"> • 15 countries qualify for own country maps 	<ul style="list-style-type: none"> • 25 countries qualified for their own country maps

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

Member Satisfaction Survey	<ul style="list-style-type: none"> • Achieve 150 responses to Member Satisfaction Survey 	<ul style="list-style-type: none"> • 201 responses received
Member Satisfaction Survey	<ul style="list-style-type: none"> • Achieve 4 out of 5 satisfaction level on at least 85% of responses 	<ul style="list-style-type: none"> • 88% rated satisfaction level at 4 out of 5 or above
2013 Year-End Results	<ul style="list-style-type: none"> • Meet or exceed year-end results of £4,000 	<ul style="list-style-type: none"> • Year-end result was £127,000, an impressive result which exceeds budget by more than 30%
KPIs which were not met		
Arrears Recovery	<ul style="list-style-type: none"> • 58% of past-year arrears recovered 	<ul style="list-style-type: none"> • 38% recovered
Patrons and Global Partner Financial Results	2 new Net Patron Equivalents (1 cash-paying Patron or 3 cash-paying Global Partners) against a target of 2	1 new Net Patron Equivalent achieved

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

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

Income Generation

Income generation during the year was £4,659,000 (2012: £3,810,000). The primary sources of income were membership subscriptions, Congress revenues and the WEC Patrons and Global Partners programmes.

Subscription income was £1,499,000 (2012: £1,523,000) for the year.

The Patrons contributed £880,000 (2012: £868,000), which was added to the designated fund, the WEC Foundation, and WEC's Global Partners contributed £317,000 to support WEC's work.

Resources Expended and Services

Total resources expended by WEC and WSL in 2013 amounted to £4,527,000 (2012: £3,740,000). These included expenditures of £2,685,000 (2012: £2,283,000) on the work programme. Note 3 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.

WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013

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 2013.

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.

At the end of 2013, the Foundation was notified that the RCM Allianz Dresdner Fixed Interest fund would be closed and that management of the Equity Income fund would be moved to Germany as of 31 December, 2013. The Foundation Trustees agreed to take the proceeds of the Fixed Interest Fund and reinvest them in one of the Foundation's other Fixed Interest funds. They also agreed that they preferred to keep all Foundation investments in the UK and, therefore, to withdraw all assets from the RCM Allianz Dresdner Fund and invest them in another UK-based Foundation fund.

In 2013, the Trustees authorised a total utilisation from the Foundation of £788,000 to support the Charity's work programme.

At the end of 2013, the Foundation's assets totalled £762,000 (2012: £1,127,000) and the group investments, excluding cash deposits, were valued at £408,000 (2012: £352,000) after the disposal of assets from the RCM Allianz funds. These funds were to be reinvested in another fund in early 2014.

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 2013, free reserves of £1,107,000 (2012: £512,000) were held as of 31 December 2013.

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.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

For 2013, the level of reserves required according to the stated policy was £1,321,200. 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 as well as to cover the costs of the upcoming office move in 2014.

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 and briefings. 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. 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 cash flow for the next twelve months; their assessment of the Member Committees and annual subscription; the status of the investment portfolio; and the potential of the Patrons and Global Partners programmes, the Trustees believe however, that the Charity is stable and will continue to operate. The Trustees also believe the Charity must also take the following actions to ensure that it remains viable and strong for the future:

- Manage the move to new premises in 2014 within budget; the move is required due to the expiration of the lease on the current premises and the landlord's decision to convert the premises to residential use;
- Build on the progress made in 2013, particularly with respect to the Congress, to increase WEC's visibility and brand name recognition so that members feel proud to belong to a globally recognised and respected organisation;
- 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;
- 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;
- Ensure that annual membership subscription are paid, seek to recover arrears and find ways to support or rebuild Member Committees which are struggling financially;
- Seek additional Patrons to help support WEC's work financially and seek new Global Partners to help strengthen Member Committees;
- 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;

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2013**

- Build up alliances and relationships with other global and regional bodies, such as the UN, COP and regional development banks and explore joint projects and partnerships with these organisations;
- Continue to build on the World Energy Leaders' Summits to support one element of WEC's mission and objectives by stimulating dialogue and engagement between the public and private sectors;
- Focus necessary resources on the preparations for the 2016 World Energy Congress in order to ensure a successful event.

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in Notes 7 and 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 2013 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 21 May 2014 and signed on behalf of the Board by



Marie-José Nadeau
Chair
World Energy Council



Graham Ward, CBE, MA, FCA
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 2013 which comprise the Group 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 2013 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 in preparing the Trustees Annual Report.



Tina Allison

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: 9 June, 2014

WORLD ENERGY COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Group Total 2013 £'000	Group Total 2012 £'000
INCOMING RESOURCES			
Income from activities in furtherance of the Charity's objects			
--Subscription fees		1,499	1,523
--Patron income		880	868
--Global Partner Income		317	307
--Gifts in kind		945	800
Activities for generating funds			
--Other income		203	148
Interest		-	1
Dividends		15	13
Congress Income		800	150
Total incoming resources	2d	4,659	3,810
RESOURCES EXPENDED			
Charitable Activities			
--Subscription costs		517	519
--Work programme		2,695	2,283
--Congress expenditure		928	329
--Patron and Global Partner Costs		362	575
Governance costs		25	34
Total resources expended	4	4,527	3,740
Net incoming resources		132	70
Other recognised gains and losses			
Total gains on investments		56	31
Net movement in funds		188	101
Accumulated fund balances brought forward		1,835	1,734
Accumulated fund balances carried forward		2,023	1,835


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 2013

	Notes	Group 2013 £'000	Charity 2013 £'000	Group 2012 £'000	Charity 2012 £'000
FIXED ASSETS					
Tangible assets	8	151	151	193	193
Investments	9	408	408	352	352
		<u>559</u>	<u>559</u>	<u>545</u>	<u>545</u>
CURRENT ASSETS					
Debtors	10	738	1,461	1,334	1,526
Short term deposits		4	4	4	4
Cash at bank and in hand		1,873	1,145	1,245	1,048
		<u>2,615</u>	<u>2,610</u>	<u>2,583</u>	<u>2,578</u>
CREDITORS: amounts falling due within one year	11	<u>(1,151)</u>	<u>(1,146)</u>	<u>(1,293)</u>	<u>(1,288)</u>
NET CURRENT ASSETS		<u>1,464</u>	<u>1,464</u>	<u>1,290</u>	<u>1,290</u>
TOTAL ASSETS		<u>2,023</u>	<u>2,023</u>	<u>1,835</u>	<u>1,835</u>
FUNDS					
	13 & 14				
Unrestricted					
Designated Funds - WEC Foundation		762	762	1,127	1,127
- Gerald Doucet Memorial Fund		3	3	3	3
General		1,258	1,258	705	705
		<u>2,023</u>	<u>2,023</u>	<u>1,835</u>	<u>1,835</u>

These financial statements were approved by the Board and authorised for issue on 21 May 2014 and signed on their behalf by:


Marie-José Nadeau
Chair
World Energy Council


Graham Ward, CBE, MA, FCA
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 2013

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 2013

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 2013

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.

3. RESULTS OF THE PARENT CHARITY

Of the total consolidated income £3,812k (2012: £3,646k) relates to income generated by the parent charity. The parent charity made a deficit of £537k in the year (2012: deficit of £52k).

4. RESOURCES EXPENDED	2013	2012
	Total	Total
	£000	£000
<i>Subscription costs</i>		
Staff costs	188	141
Membership support	6	49
Bad debts	150	142
Travel and entertainment	148	143
Support costs	25	44
	517	519
<i>Work programme</i>		
<u>Flagship Processes and Global Frameworks</u>		
Staff costs	428	425
Gifts in kind	795	650
Energy Resources & Technologies (<i>includes Performance of Generating Plant, Cleaner Fossil Fuels Systems and Energy Efficiency</i>)	99	59
Policy Assessment	156	79
Scenarios	117	62
Global Frameworks/Rules of Trade	5	14
Energy Access	(5)	12
Support costs	278	166
<u>Regional agenda</u>		
Staff costs	120	14
Gifts in kind	75	150
General expenses	30	14

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. RESOURCES EXPENDED (CONTINUED)	2013 Total	2012 Total
<u>Regional agenda (cont'd)</u>		
Regional managers' honoraria	1	120
Asia	11	8
Africa	20	10
Europe	14	6
LAC	16	15
Middle East/Gulf States	14	-
North America	-	15
Support costs	56	73
<u>Communications & Outreach</u>		
Staff costs	228	235
Miscellaneous	10	13
Website	-	60
Publications/editing	60	3
Consultancy	6	11
Travel and hospitality	50	35
Support costs	111	34
Work Programme total	2,695	2,283
Congress		
Staff costs	463	229
Gifts in kind	75	-
Congress expenditure	172	20
Support costs	218	80
	928	329
Patron & Global Partner Costs		
Staff costs	109	193
Patron and Global Partner costs	5	8
World Energy Leaders Summits	196	167
Support costs	52	207
	362	575
Governance costs		
Audit	21	22
Trustee meetings and expenses	4	12
	25	34
TOTAL RESOURCES EXPENDED	4,527	3,740

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

5. SUPPORT COSTS

	2013	<i>2012</i>
	Total	<i>Total</i>
	£'000	<i>£'000</i>
Support costs		
Staff costs	225	<i>148</i>
Accommodation costs	170	<i>168</i>
Office equipment and services	95	<i>80</i>
IT services	113	<i>103</i>
Legal, professional and accountancy	82	<i>54</i>
Depreciation	55	<i>51</i>
	740	<i>604</i>

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

	2013	<i>2012</i>
	£'000	<i>£'000</i>
Wages and salaries	1,484	<i>1,140</i>
Social security costs	141	<i>122</i>
Pension costs	100	<i>90</i>
Other staff costs	37	<i>31</i>
	1,762	<i>1,383</i>

Emoluments during the year:

Band	2013	<i>2012</i>
£320,001-£330,000	1	<i>-</i>
£290,001-£300,000	-	<i>1</i>
£80,001-£90,000	2	<i>-</i>
£70,001-£80,000	1	<i>2</i>
£60,001-£70,000	2	<i>2</i>

Employer pension contributions of £99,848 (2012: £72,249) were made on the above employees' behalf.

The average number of employees during the year, calculated on a full-time equivalent basis, was 19 (2012: 16).

7. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees neither received nor waived any emoluments during the year (2012: £nil). During the year, £5,606 (2012: £1,401) was reimbursed to or paid on behalf of two Trustees for travel expenses.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013	317	187	27	193	724
Additions	-	13	-	-	13
At 31 December 2013	317	200	27	193	737
Accumulated depreciation					
At 1 January 2013	182	149	7	193	531
Charge for period	19	29	7	-	55
At 31 December 2013	201	178	14	193	586
Net Book Values					
At 31 December 2013	116	22	13	-	151
<i>At 31 December 2012</i>	<i>135</i>	<i>38</i>	<i>20</i>	<i>-</i>	<i>193</i>

9. FIXED ASSET INVESTMENTS

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

	2013 £'000	2012 £'000
Market values		
Market value at 1 January 2013	352	321
Disposals at opening market value	(110)	-
Realised gain on disposal of investments	15	-
Unrealised gain on investments	41	31
Market value at 31 December 2013	298	352
Cash held pending investment	110	-
Total investment value at 31 December 2013	408	352
Historical cost at 31 December 2013	138	233

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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

	2013	2012
	£'000	£'000
Fixed interest securities	37	40
Equity shares	263	312
	300	352

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

	2013	2012
	£'000	£'000
Units held		
19,666 HSBC Common Fund for Income	22	24
9,653 COIF	112	100
32,744 Schroders	118	89
4,601 Dresdner RCM Chariguard UK Equity Fund Income	-	93
6,522 BlackRock Charishare Common Investment Fund	33	29

10. DEBTORS

	Group	Charity	Group	Charity
	2013	2013	2012	2012
	£'000	£'000	£'000	£'000
Trade debtors	673	673	1,180	1,167
Amount due from subsidiary company	-	723	-	205
Other debtors	13	13	29	29
Prepayments	52	52	122	122
Accrued income	-	-	3	3
	738	1,461	1,334	1,526

11. CREDITORS: amounts falling due within one year

	Group	Charity	Group	Charity
	2013	2013	2012	2012
	£'000	£'000	£'000	£'000
Trade creditors	120	120	88	88
Taxation and social security costs	38	38	57	57
Accruals	238	233	266	261
Deferred income	682	682	872	872
Other	73	73	10	10
	1,151	1,146	1,293	1,288

	2013	2012
	£'000	£'000
Deferred income reconciliation:		
Balance brought forward	872	865
Received in year	1,064	1,190
Utilised in year	(1,254)	(1,183)
Balance carried forward	682	872

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013 £'000	Group 2012 £'000
Land and buildings		
Expiring within 1 year	61	-
Expiring between 2 and 5 years	<u>-</u>	<u>81</u>
Fixtures and fittings		
Expiring between 2 and 5 years	<u>13</u>	<u>13</u>

13. STATEMENT OF FUNDS

	<i>1 Jan 2013 £'000</i>	Income £'000	Expenditure £'000	Investment Gains £'000	31 Dec 2013 £'000
General reserve	705	3,680	(3,127)	-	1,258
Designated					
Foundation	1,127	894	(1,315)	56	762
Gerald Doucet					
Memorial Fund	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total	<u>1,835</u>	<u>4,574</u>	<u>(4,442)</u>	<u>56</u>	<u>2,023</u>

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.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted			Total £'000
	General £'000	Foundation £'000	Gerald Doucet Memorial Fund £'000	
Tangible fixed assets	151	-	-	151
Investments	-	300	-	300
Net current assets	1,096	462	3	1,561
	<u>1,247</u>	<u>762</u>	<u>3</u>	<u>2,012</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 2013 £'000	<i>Total 2012 £'000</i>
Turnover	847	<i>164</i>
Administrative expenditure	(178)	<i>(42)</i>
Net profit/(loss)	669	<i>112</i>
Profit on ordinary activities	669	<i>122</i>
Payment under gift aid	(669)	<i>(122)</i>
Retained profit for the year	-	<i>-</i>

The aggregate of the assets, liabilities and funds was:

Assets	728	<i>210</i>
Liabilities	(728)	<i>(210)</i>
Funds	-	<i>-</i>

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.