

**Company Number: 4184478**  
**Charity Number: 1086559**

**WORLD ENERGY COUNCIL**  
**(A Company Limited by Guarantee)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**WORLD ENERGY COUNCIL**  
**YEAR ENDED 31 DECEMBER 2011**

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**WORLD ENERGY COUNCIL**  
**LEGAL AND ADMINISTRATIVE INFORMATION**  
**YEAR ENDED 31 DECEMBER 2011**

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**TRUSTEES**

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

**NAME**

Choudhury, Arup Roy	Term began 1 December 2011
Gadonneix, Pierre	* + # ± ∅ ^
Kim, Younghoon David	Term ended 30 November 2011
Medeiros, Norberto de Franco	+ # ± ∅ ^ Term ended 30 November 2011
Liu, Tianen	Term commenced 1 December 2011
Meyers, Kevin	
Morris, Michael	+ # ∅ ± ^ Term commenced 1 December 2011
Nadeau, Marie-José	* + # ∅ ± ^
Naqi, Abbas	
Sambo, Abubakar	
Shin, Heon Cheol	
Statham, Brian	* + # ∅ ± ^
Teyssen, Johannes	
Vargas Lleras, José Antonio	
Ward, Graham CBE, MA, FCA	* ∅ ≠
Zhang, Guobao	Term ended 30 November 2011

\* *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

**Members:** Norberto de Franco Medeiros (term ended 30 November 2011); Michael Morris (term commenced 1 December 2011); Marie-José Nadeau; 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:** Pierre Gadonneix (ex officio) ; Klaus-Dieter Barbknecht; Per-Olof Granström; Marie-José Nadeau; Brian Statham

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**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

**Members:** Norberto de Franco Medeiros (term ended 30 November 2011); Michael Morris (term commenced 1 December 2011); Marie-José Nadeau; 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)

Fishman & Co., 131 Baker Street, London W1U 6SE (lease and premises)

Jeffrey Green Russell Solicitors, Waverley House, 7-12 Noel Street, London W1F 8GQ (commercial contracts)

Laura Devine Solicitors, 11 Old Jewry, London EC2R 8DU (immigration and visas)

**INVESTMENT MANAGERS**

Black Rock Investment Funds

CCLA Investment Management Ltd (COIF)

HSBC Charity Common Investment Funds

RCM (UK) Ltd.

Schroders Unit Trusts Limited

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The Board of Trustees, who are also the Directors of the Charity, present their annual report for the year ended 31 December 2011 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 Memorandum and 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, 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 a Memorandum and Articles of Association, which was adopted on 21 March 2001.

WEC's members are autonomous Member Committees in 93 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 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 Memorandum and Articles specify the composition of the Board of Trustees (officers). Trustees are elected by the Executive Assembly and report to it. The Trustees meet at least twice a year to discuss strategy, assess operational/investment performance, review financial reports and set the budgets. Decisions of the officers are ratified by the Executive Assembly.

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 email 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 of the Officers Council: 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 be re-elected once. Before election, nominees for the position of WEC Chair are required to disclose to the Nominations Committee and the board any other significant commitments which might affect their ability to carry out the duties of WEC Chair. Once elected, the Chair is required to notify the board of any change in commitments. Such commitments and the likely effect of these are noted in the annual report.

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The current WEC Chair is the retired CEO of a major global energy company and while he still has some commitments to that company, he is able to devote a significant amount of time to WEC. His non-WEC commitments do not affect his ability to attend board meetings or to carry out his work as WEC Chair.

The performance of the WEC Chair is evaluated annually by the board. The performance of the Chair, Finance, is evaluated by members of the Finance Committee. The criteria for these evaluations are developed and approved by the board and the Finance Committee respectively and are based on process rather than personal performance, according to the corporate governance guidelines of the UK Financial Reporting Council. The evaluations of the WEC and Finance Chairs were carried out in 2011 in accordance with the agreed criteria and process.

All Trustees/Directors, including the WEC Chair, are reviewed by the Board prior to appointment and at least annually thereafter to ascertain whether they appear to be independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, their judgement. 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 Chairman or Secretary General or when the problem is such that these contacts are inappropriate.

Trustees are elected for three-year terms and may be re-elected once. 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, to support their own travel and other expenses associated with serving as a Trustee.

A CV for each nominee for a Trustee/Director position is provided to Executive Assembly prior to the election. The briefing note which accompanies the nominations states why the board believes each Trustee/Director should be elected or re-elected, the latter being based on the nominee's performance during their previous term.

New Trustees receive an induction pack containing a description of Trustees' general 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 may brief new Trustees on their responsibilities when they are elected and new Trustees may also meet with their predecessor and other currently serving officers to discuss their duties and responsibilities.

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**ATTENDANCE AT BOARD AND SUBCOMMITTEE MEETINGS**

The following shows individual Trustee/Director attendance at the meetings of the board and its subcommittees in 2011:

**BOARD (OFFICERS COUNCIL) MEETINGS**

	June	November
Gadonneix	√	√
Kim		√
Medeiros	√	
Meyers	√	
Nadeau	√	√
Naqi	√	√
Sambo		√
Shin	√	√
Statham	√	√
Teysen	√	
Vargas Lleras	√	√
Ward	√	√
Zhang		

**FINANCE COMMITTEE MEETINGS**

	7 January	20 January	6 April	28 June	24 November
Ward (Chair)	√	√	√	√	√
Barbknecht		√	√	√	
Gadonneix				√	√
Granström	√			√	
Nadeau		√	√	√	√
Statham	√	√	√	√	√

**NOMINATION COMMITTEE MEETING**

	28 June
Gadonneix	√
Medeiros	√
Nadeau	√
Statham	√

**REMUNERATION COMMITTEE MEETINGS**

	1 February	4 March	27 April	9 November	19 December
Gadonneix (Chair)	√	√	√	√	√
Medeiros		√			N/A
Nadeau	√	√	√	√	√
Statham			√	√	√
Ward	√	√	√		√

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**CHIEF EXECUTIVE/SECRETARY GENERAL**

The Secretary General serves as the chief executive of the Charity and of its trading subsidiary. The Memorandum and Articles of Association set out the responsibilities of the Secretary General, which include carrying out the decisions of the Executive Assembly and the Officers Council 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 Memorandum and Articles specifically prohibit the chief executive from becoming WEC Chair.

**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 Memorandum and Articles of Association.

WSL makes a gift aid payment of its annual profits no later than 30 September of the following year to the Charity, after due provision for the financial requirements of any business carried on by the company which would absorb or extinguish taxable profits that would otherwise be available for distribution. During 2011, WSL made an operating profit of £485,000 (2010: £149,000).

WSL's primary activities and outcomes for the reporting period were minimal, as is normal in a non-Congress year. The main activity was the signing of the contract and preliminary preparation for the 2013 World Energy Congress; the contract included a substantially increased flat fee royalty payment from the organisers to WSL and a share of the sponsorship revenues.

Results of these 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;



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- 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. 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 for 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 and implement appropriate risk management strategies, ensure that the organisation follows current best practice with respect to risk management and review the adequacy of the Charity's current internal controls.

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

The 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 2011 and the steps taken to address these risks are noted below.

<b>Risk</b>	<b>Risk Protection</b>
Erosion of member base	<ul style="list-style-type: none"> <li>• Monitoring and regular review of health and activity level of Member Committees (MCs)</li> <li>• MC Partnership scheme to link MCs for consultation, advice and exchange of best practices</li> <li>• Regular review of outstanding subscriptions and arrears</li> <li>• Regular communication with MCs directly or through Regional Managers</li> </ul>

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Loss of WEC Patrons or inability to recruit new Patrons and Global Partners	<ul style="list-style-type: none"> <li>• Transfer of a part-time staff member to the Patron and Global Partner department to help provide a higher level of dedicated “customer care” of existing Patrons and Global Partners and to build up a pipeline of potential participants</li> <li>• Development of major new Patron/Global Partner benefit: WEC-organised World Energy Leaders’ Summits, small, high-level meetings held for Patron and Global Partner CEOs in various strategic locations around the world</li> <li>• Continued development of other benefits for Patrons</li> <li>• Formal contracts for all Patrons and Global Partners to regularise the relationship with WEC</li> <li>• Formal tracking and monitoring of Patron and GP payments to flag any which are overdue</li> </ul>
Finances and financial reserves	<ul style="list-style-type: none"> <li>• Monthly monitoring of finances by management</li> <li>• Quarterly and annual financial reporting by management to Finance Committee and Trustees</li> </ul>
Continuity of operations	<ul style="list-style-type: none"> <li>• Secretary General and Senior Director, Operations &amp; Institutional Development are prohibited from travelling together except in extraordinary circumstances</li> <li>• No more than two Directors may travel together except in extraordinary circumstances</li> <li>• No more than 33% of non-Director staff may travel together except in extraordinary circumstances</li> <li>• “Interruption of work” insurance in place in case of loss of WEC offices in a disaster (fire, natural disaster)</li> </ul>

After reviewing the risks to the Charity at the end of 2011, the Trustees concluded that management had taken all 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 they have 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 the most basic needs (sanitation, healthcare, cooking, heating and lighting) to the most sophisticated. WEC's mission is energy-centric, with two chief areas of focus: its studies and research to promote sustainable energy and its leadership dialogue events.

WEC's studies and research are aimed at:

- encouraging sound energy policies to help ensure security of supply and the effective use and provision of energy to all people;
- promoting sustainable energy for all people so as to improve social equity;
- helping to inform and educate consumers about the wise and effective development and use of energy;
- encouraging the dissemination, through its website and publications, of information about energy to government officials, the private sector and the general public, including young people;
- looking at ways to mitigate climate change and increase energy efficiency and thus improve the lives of future generations;
- examining issues and challenges related to energy in both urban and rural areas;
- promoting access to commercial energy for the nearly 2 billion people in the world who do not currently have such access.

WEC's leadership dialogue events, such as its Congresses, Energy Leaders' Summits and Patron CEO and Ministerial Roundtables, focus on:

- bringing together national and regional energy leaders from both the public and private sectors to exchange ideas, information and best practices, with the intention of their using these ideas to improve energy policies, investment in energy, energy efficiency and energy supply;
- conducting an annual Issues Survey to gather the views of the public and private sectors on the most critical energy issues and challenges and stimulating debate among energy leaders on these issues so as to develop more effective provision and use of energy for the public;
- preparing and placing Op-eds on key energy issues to stimulate thinking and dialogue among members of the general public, policymakers and decision-makers;
- encouraging 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.

**2011 – A YEAR OF CHANGE AND DEVELOPMENT**

In 2011, the main focus of the organisation was to build further on the strategic vision and enhanced programmes initiated by the Secretary General and approved by the members. These included:

- A strong focus on enhancing WEC's name recognition and visibility through hiring a new Director of Communications and building up the Communications team; initiating an aggressive effort to develop media exposure opportunities; preparing a series of issues and position papers for distribution to WEC members, policy-makers, decision-makers and the media; and hiring a project management company to oversee the re-development of the WEC website;

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- Continuing to convert the WEC work programme from a three-year cycle between Congresses to an on-going cycle, with frequent and regular reports being issued so as to create interest in WEC's studies and research; in 2011, the annual Policy Assessment and the Transport study from Scenarios were completed and launched;
- Further defining the six Activity Areas (Policy Assessment, Scenarios, Resources and Technology, Energy Access, Urban Innovation and Global Frameworks) and the activities to be carried out under each; drafting terms of reference for each study to be carried out in the Activity Areas; recruiting members and experts to serve on the Study Groups; defining the role of the Knowledge Networks, successfully recruiting over 450 members and experts to participate and preparing a plan of work for all Activity Area projects;
- Seeking new project partners, which are companies that agree to contribute in-kind personnel and expertise to support WEC studies and research; in 2011, IBM signed on as a project partner for the Scenarios work and the successful project partnership with Oliver Wyman continued;
- Converting the pilot project on Global Partners to a permanent programme after the outstanding success of the pilot phase; the Global Partners programme is designed to attract innovators and smaller companies looking to build a global reputation, with these companies agreeing not only to pay WEC a direct fee but also to join a minimum of three WEC national Member Committees, thus creating new revenue for the London office while at the same time strengthening national Member Committees by bringing them new, paying members;
- Continuing to build the Patrons programme, which attracted nine paying Patrons in 2011; Patrons are major global companies which are already members of or agree to join a WEC national Member Committee and to contribute directly to WEC specifically to support its work programme;
- Continuing to develop the World Energy Leader's Summits (WELS); these are exclusive, by-invitation-only events aimed at the CEOs of Patron and Global Partner companies, the chairs of WEC national Member Committees and energy ministers. They feature off-the-record, informal discussions of the most urgent energy issues. A WELS was held in Rio in September and was over-subscribed, with the energy minister of Brazil and the mayor of Rio taking part. A second "mini-WELS" was held in Houston in November.
- WEC also continued its successful partnership with First Magazine to publish an advertising-based magazine, World Energy Insight (WEI). In early 2011, an addendum to the WEI published in conjunction with the 2010 Congress was produced. A second annual WEI was also prepared in 2011 for distribution to delegates at the Rio WELS.

**KEY PERFORMANCE INDICATORS AND EVALUATION OF OVERALL PERFORMANCE**

A core set of Key Performance Indicators aimed at achieving the Charity's Objects was put in place for the Charity and its staff in 2011, further refining the initial KPI-setting exercise which took place in 2010. A "management dashboard" with performance benchmarks was also used during the year to monitor performance; the London office staff met every two weeks to review progress on the objectives and benchmarks in the dashboard. The main benchmarks by which the achievement of the Charity's Objects (work programme) were measured are noted below:

	Threshold	Target	Exceeds	Achieved for year
Number of nominations to Knowledge Networks (the main areas in which the Charity carries out work to achieve its Objects)	100	150	200	450 (Exceeds)

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	Threshold	Target	Exceeds	Achieved for year
Terms of Reference developed to guide the work of the Activity Area ("AAs") Study Groups and Knowledge Networks ("KNs")	Sign off for full Terms of Reference & basic resources for 7 KNs & 6 AAs in place	Project partners for 2 flagships signed and in place	Project partners for 2 additional projects (AAs or KNs) signed and in place	ToRs approved, basic resources for 8 KNs & 6 AAs developed and 3 project partners signed (Assessment, Scenarios, EnEff) (Target)
Publication of research reports and World Energy Insight	4 reports published: Rules of Trade, Energy Efficiency, Policy Assessment and World Energy Insight 2010 addendum		World Energy Insight 2011 published	Rules of Trade, Energy Efficiency, Assessment and WEI 2010 addendum published and WEI 2011 published (Exceeds)
Position papers published	1 position paper published	2 position papers published	3 position papers published	Position papers for EU Interconnectivity, nuclear and shale gas published (Exceeds)

### **OTHER ACTIVITIES**

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

#### Membership and Subscriptions

At the core of WEC are its 93 autonomous Member Committees. These Committees pay an annual subscription to belong to WEC and WEC members volunteer their time and expertise to help carry out WEC's work. It is vitally important therefore, for WEC to ensure that its Member Committee base is strong. Along with the London office staff, Regional Managers and Regional Vice Chairs, a Membership Advisory Group monitors the "health" of Member Committees and seeks to provide a strong value proposition which will encourage engagement and active participation in the Charity's activities.

WEC began rebuilding its member database in late 2011 to allow for a much more robust, detailed and informative picture of its membership.

Communication with its members is crucial to WEC and, therefore, two newsletters, WEC Inside (sent out every two weeks) and SecNetNews (sent irregularly) as well as regularly scheduled Skype or telephone calls with the Chairs and/or Secretaries of Member Committees are in place to help ensure effective and timely member communication.

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Patrons' Programme

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 down to provide additional support for WEC's work programme.

By the end of 2011, the Charity had recruited seven new paying Patrons, with five additional Patrons providing in-kind support in the form of seconded staff and/or services.

Global Partners Programme

The Global Partners Programme was created as a pilot scheme in 2009 with two key aims: (1) to bring additional revenue directly to the London office; and (2) to help to strengthen WEC Member Committees by requiring any new Global Partner to become a paying member of at least three national Committees.

This 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 2011, 23 new direct memberships were created for WEC Member Committees through the Global Partner programme.

Based on the success of the Global Partners Programme, WEC members voted at the 2011 Executive Assembly to convert the pilot to a permanent programme.

Gifts in Kind

Gifts in kind in 2011 were provided by certain WEC Patrons in lieu of cash contributions. These included secondments from TEPCO (Japan), VNG (Germany), SK Energy (Korea), Saudi Aramco (Saudi Arabia) and Daesung (Korea). In addition, Oliver Wyman continued as Project Partner on the Energy and Climate Policy Assessment, contributing staff and other resource support for the study. IBM signed on as a project partner for Scenarios at the end of 2011 and will begin contributing staff and expertise resources in 2012. The 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 job market.

Congress

The Congress is WEC's most visible and important event, bringing together energy leaders from around the world. It is held every three years, with the most recent one held in Montreal in September, 2010. The next Congress will be held in Daegu, South Korea, in 2013. 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 payments are made by the Congress organisers to WSL. In 2011, Congress income was £525,000, which consisted of an ex gratia payment of \$600,000 CAD from the Montreal organisers out of the profits from the 2010 Congress and the first tranche of £150,000 due for the 2013 Congress from the Korean organisers.

As with the activities to achieve its Objects, the Charity has also put into place a set of KPIs and a "management dashboard" for monitoring performance and achievement of the objectives under "Other Activities" during the year.

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Below is a table showing the Key Performance Indicators for 2011 for the Charity's other activities and the achievement level for each KPI.

	Threshold	Target	Exceeds	2011 Achievement
Number of new or renewing cash-paying Patron contracts signed	4	7	10	9 (Target)
Number of new Global Partner contracts signed	3	5	7	7 (Exceeds)
2013 Congress contracts			Contracts signed by September, 2011	Achieved (Exceeds)
Member Committee development	At least 1 country has expressed strong interest in joining WEC by year-end	At least 1 new country has joined WEC by year end	At least two new countries have joined WEC by year end	Chad and Bolivia approved for membership and activated in 2011 (Exceeds)
Member Committee support	At least 4 new MCs join Member Committee Partnership programme, designed to match weaker MCs with stronger ones to exchange best practices	At least 6 new MCs join	At least 8 new MCs join	Exceeds objective achieved: South Africa linked with Namibia + Swaziland + Botswana France linked with Tunisia, DR Congo, Niger Colombia linked with Brazil UK linked with Germany + South Africa

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**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The Statement of Financial Activities (SoFA) set out on page 20 shows the following results for the year.

Income Generation

Income generation during the year was £3,401,000 (2010: £2,967,000). The primary sources of income were membership subscriptions, Congress revenues and the WEC Patrons and Global Partners programmes.

Subscription income was £1,381,000 (2010: £1,349,000) for the year.

The Patrons contributed £371,000 (2010: £554,000), which was added to the designated fund, the WEC Foundation.

Resources Expended and Services

Total resources expended by WEC and WSL in 2011 amounted to £3,365,000 (2010: £3,020,000). These included expenditures of £2,221,000 (2010: £1,873,000) on the work programme. See Note 3 for further details 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 mainly achieved 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 high-interest, short-term deposits and, by policy, may not be invested in equity funds.

WEC Services Ltd. did not hold any investments in 2011.

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.



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In 2011, the investment market fluctuated due to the global financial situation. The value of WEC's investments dropped at the end of the third quarter by about 11% but rebounded, so that at the end of the year, the overall loss in value was only about 6%.

In 2011, the Trustees authorised a total utilisation from the Foundation of £150,000 to support the Charity's work programme.

At the end of 2011, the Foundation's assets totalled £1,071,000 and the group investments, excluding cash deposits, were valued at £321,000 (2010: £338,000).

#### *Free Reserves*

Free reserves available for use by the Charity are deemed to be those that are readily realisable, less funds whose uses are restricted. For 2011, free reserves of £660,000 were held as of 31 December (2010: £856,000).

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 2011, the level of reserves required according to the stated policy was £1,006,000. The Trustees have noted the difference between free reserves and the stated policy but believe there are sufficient resources within the WEC Foundation to cover the requirements in case of need.

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.

#### **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.

#### **FUTURE PLANS**

Based on the Trustees' review of the organisation's cash flow for the next twelve months; their assessment of the health of the WEC Member Committees and their anticipated ability to pay the annual subscriptions; the status of the investment portfolio; and the potential of the Patrons and Global Partners programmes, the Trustees believe that the Charity is stable and will continue to operate.

However, the Trustees believe the Charity must also take the following actions to ensure that it remains viable and strong for the future:

- Continue to build WEC's visibility and brand name recognition so that members feel proud to belong to a globally recognised and respected organisation;

**WORLD ENERGY COUNCIL  
TRUSTEES' REPORT  
YEAR ENDED 31 DECEMBER 2011**

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- Take all necessary steps to maintain the “good health” of Member Committees, including conducting an annual assessment of their involvement in WEC, constituent member base and financial health and continuing to develop ways to foster strong, active Member Committees;
- Seek additional Patrons to build up the Foundation’s cash reserves and new Global Partners to help strengthen Member Committees;
- Seek additional in-kind support to maximise WEC’s human and financial resource;
- Further develop and enhance the membership database as a tool for monitoring WEC membership and providing customised service;
- Develop the new website so as to provide a resource and information tool for members, Patrons and Global Partners, government officials, the media and the general public;
- Build up alliances and relationships with other global and regional bodies, such as the UN, COP and regional development banks, and explore productive joint projects and partnerships with these organisations;
- Continue to develop the World Energy Leaders’ Summits as a value proposition to members, Patrons and Global Partners and as a way to stimulate dialogue and engagement between the public and private sectors;
- Focus necessary resources on the preparations for the 2013 World Energy Congress in order to ensure a successful event;
- Continue to monitor the longer term effects of the European and global financial crisis on the Charity and its stakeholders and develop safeguards to minimise risks to the Charity’s income.

**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 2011 Executive Assembly in Oran, Algeria, assumed their seats on 1 December and are also listed on page 1 of this report.

Approved by the Board on 19 April, 2012, and signed on behalf of the Board by

Pierre Gadonneix  
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 2011 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets and the related notes.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of 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.

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; 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. 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 2011 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.

### **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.

**[This report has not yet been signed]**

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:** \_\_\_\_\_, **2012**

**WORLD ENERGY COUNCIL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating an Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	<b>Group Total 2011 £'000</b>	<i>Group Total 2010 £'000</i>
<b>INCOMING RESOURCES</b>			
<b>Income from activities in furtherance of the Charity's objects</b>			
--Subscription fees		1,381	1,349
--Patron income		371	554
--Global Partner Income		235	38
--Project income		-	32
--Gifts in kind		850	528
<b>Activities for generating funds</b>			
--Other income		26	128
<b>Interest</b>		-	1
<b>Dividends</b>		13	12
<b>Congress Income</b>		525	325
<b>Total incoming resources</b>	2d	<b>3,401</b>	<b>2,967</b>
<b>RESOURCES EXPENDED</b>			
<b>Charitable Activities</b>			
--Subscription costs		551	647
--Work programme		2,221	1,873
--Congress expenditure		73	198
--Patron and Global Partner Costs		499	268
--Grants paid		-	6
<b>Governance costs</b>		21	28
<b>Total resources expended</b>	3	<b>(3,365)</b>	<b>(3,020)</b>
<b>Net (outgoing)/incoming resources</b>		<b>36</b>	<b>(53)</b>
<b>Other recognised gains and losses</b>			
Gains/(Losses) on investments			
Unrealised investment gains/(losses)		<b>(19)</b>	21
<b>Net movement in funds</b>		<b>17</b>	<b>(32)</b>
Accumulated fund balances brought forward		<b>1,717</b>	1,749
<b>Accumulated fund balances carried forward</b>		<b>1,734</b>	1,717

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

**The notes on pages 21 to 29 form part of these financial statements.**

**WORLD ENERGY COUNCIL**  
**CONSOLIDATED AND CHARITY BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	Notes	<b>Group 2011 £'000</b>	<b>Charity 2011 £'000</b>	<i>Group 2010 £'000</i>	<i>Charity 2010 £'000</i>
<b>FIXED ASSETS</b>					
Tangible assets	7	220	220	215	215
Investments	8	321	321	338	338
		<u>541</u>	<u>541</u>	<u>553</u>	<u>553</u>
<b>CURRENT ASSETS</b>					
Debtors	9	811	985	315	480
Short term deposits		4	4	4	4
Cash at bank and in hand		1,665	1,488	1,218	1,015
		<u>2,480</u>	<u>2,477</u>	<u>1,537</u>	<u>1,499</u>
<b>CREDITORS:</b> amounts falling due within one year	10	<u>1,287</u>	<u>1,284</u>	<u>373</u>	<u>335</u>
<b>NET CURRENT ASSETS</b>		<u>1,193</u>	<u>1,193</u>	<u>1,164</u>	<u>1,164</u>
<b>TOTAL ASSETS</b>		<u>1,734</u>	<u>1,734</u>	<u>1,717</u>	<u>1,717</u>
<b>FUNDS</b>					
	12 & 13				
Unrestricted					
Designated Funds - WEC Foundation		1,064	1,064	858	858
- Gerald Doucet Memorial Fund		3	3	3	3
General		667	667	856	856
		<u>1,734</u>	<u>1,734</u>	<u>1,717</u>	<u>1,717</u>

These financial statements were approved by the Board and authorised for issue on 19 April, 2012, and signed on their behalf by:

Pierre Gadonneix  
Chair  
World Energy Council

Graham Ward, CBE, MA, FCA  
Chair  
Finance Committee

**The notes on pages 21 to 29 form part of these financial statements.**

**WORLD ENERGY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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**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, which was 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 as well as all expenditures are allocated to the appropriate fund.

**d) Incoming resources**

Income includes the gross invoiced value of subscription fees charged to WEC members, Patron income, which represents corporate contributions for work programme purposes and Global Partner income. Patron income is credited directly to the WEC Foundation, a designated fund. 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 2011**

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**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 square metres occupied by each activity in the offices.

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 2011**

**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.

<b>3. RESOURCES EXPENDED</b>	<b>2011</b>	<i>2010</i>
	<b>Total</b>	<i>Total</i>
	<b>£000</b>	<i>£'000</i>
<b><i>Subscription costs</i></b>		
Staff costs	<b>155</b>	<i>262</i>
Membership support	<b>14</b>	<i>20</i>
Bad debts	<b>164</b>	<i>135</i>
Travel and entertainment	<b>153</b>	<i>148</i>
Bank charges and interest	<b>-</b>	<i>(5)</i>
Exchange loss	<b>-</b>	<i>(44)</i>
Support costs	<b>65</b>	<i>131</i>
	<hr/> <b>551</b> <hr/>	<hr/> <i>647</i> <hr/>
<b><i>Work programme</i></b>		
<u>Flagship Processes and Global Frameworks</u>		
Staff costs	<b>353</b>	<i>309</i>
Gifts in kind	<b>700</b>	<i>528</i>
General expenses	<b>-</b>	<i>49</i>
Energy Resources & Technologies ( <i>includes Performance of Generating Plant, Cleaner Fossil Fuels Systems and Energy Efficiency from 2011 onwards</i> )	<b>77</b>	<i>120</i>
Policy Assessment	<b>24</b>	<i>41</i>
Scenarios	<b>61</b>	<i>30</i>
Rules of Trade	<b>14</b>	<i>25</i>
Mega Cities/Urban Innovation	<b>-</b>	<i>9</i>
Grid Liability	<b>-</b>	<i>5</i>
Renewables	<b>-</b>	<i>4</i>
Energy Access	<b>21</b>	<i>-</i>
Global Frameworks	<b>1</b>	<i>-</i>
Support costs	<b>124</b>	<i>105</i>
<u>Regional agenda</u>		
Staff costs	<b>47</b>	<i>18</i>
Gifts in kind	<b>150</b>	<i>-</i>
General expenses	<b>13</b>	<i>18</i>

**WORLD ENERGY COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

<b>3. RESOURCES EXPENDED (CONTINUED)</b>	<b>2011 Total</b>	<i>2010 Total</i>
<u>Regional agenda (cont'd)</u>		
Regional managers' honoraria	<b>98</b>	-
Asia	<b>18</b>	25
Africa	<b>18</b>	43
Europe	<b>19</b>	46
LAC	<b>13</b>	39
North America	<b>15</b>	-
Support costs	<b>25</b>	45
 <u>Communications &amp; Outreach</u>		
Staff costs	<b>198</b>	224
Miscellaneous	<b>15</b>	3
Website	<b>31</b>	38
Publications	<b>9</b>	3
Consultancy	<b>113</b>	60
Travel and hospitality	<b>22</b>	18
Support costs	<b>42</b>	68
 <b>Work Programme total</b>	<b>2,221</b>	<i>1,873</i>
 <b>Congress</b>		
Congress expenditure	<b>17</b>	171
Staff costs	<b>37</b>	-
Support costs	<b>19</b>	27
	<b>73</b>	198
 <b>Patron &amp; Global Partner Costs</b>		
Patron and Global Partner costs	<b>3</b>	42
World Energy Leaders Summits	<b>150</b>	-
Staff costs	<b>289</b>	226
Support costs	<b>57</b>	-
	<b>499</b>	268
 <b>Grants paid</b>	<b>-</b>	6
 <b>Governance costs</b>		
Audit	<b>18</b>	21
Trustee meetings	<b>3</b>	7
	<b>21</b>	28
 <b>TOTAL RESOURCES EXPENDED</b>	<b>3,365</b>	<i>3,020</i>

**WORLD ENERGY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**4. SUPPORT COSTS**

	<b>2011</b>	<i>2010</i>
	<b>Total</b>	<i>Total</i>
	<b>£'000</b>	<i>£'000</i>
<b>Support costs</b>		
Accommodation costs	145	156
Office services	92	139
Legal, professional and accountancy	55	54
Depreciation	39	27
	<b>331</b>	<i>376</i>

These costs are allocated to charitable activities on the basis of square metres occupied by each activity in the offices.

**5. STAFF COSTS**

	<b>2011</b>	<i>2010</i>
	<b>£'000</b>	<i>£'000</i>
Wages and salaries	885	904
Social security costs	192	119
Other staff costs	1	20
	<b>1,078</b>	<i>1,043</i>

During the year, one employee received emoluments between £300,000 and £310,000 (2010: one between £250,000 and £270,000); one employee received emoluments between £80,000 and £90,000 (2010: one); and two employees received emoluments between £60,000 and £70,000 (2010: one).

No employer pension contribution was made on the above employees' behalf.

The average number of employees during the year, calculated on a full-time equivalent basis, was 13 (2010: 12).

**6. TRUSTEES' REMUNERATION AND EXPENSES**

The Trustees neither received nor waived any emoluments during the year (2010: £nil). During the year, £395 (2010: £6,408) was reimbursed to or paid on behalf of one Trustee for travel expenses.

**WORLD ENERGY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**7. TANGIBLE FIXED ASSETS**

All tangible fixed assets are held by the Charity.

	Leasehold improvements £'000	Office equipment £'000	Website £'000	<b>Total £'000</b>
Cost				
At 1 January 2011	311	151	193	<b>655</b>
Additions	45	-	-	<b>45</b>
<b>At 31 December 2011</b>	<b>311</b>	<b>196</b>	<b>193</b>	<b>700</b>
Accumulated depreciation				
At 1 January 2011	143	105	193	<b>441</b>
Charge for period	20	19	-	<b>39</b>
<b>At 31 December 2011</b>	<b>163</b>	<b>124</b>	<b>193</b>	<b>480</b>
<b>Net Book Values</b>	<b>148</b>	<b>72</b>	<b>-</b>	<b>220</b>
<b>At 31 December 2011</b>	<b>148</b>	<b>72</b>	<b>-</b>	<b>220</b>
<i>At 31 December 2010</i>	<i>169</i>	<i>46</i>	<i>-</i>	<i>215</i>

**8. FIXED ASSET INVESTMENTS**

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

	2011 £'000	2010 £'000
<b>Market values</b>		
Market value at 1 January 2011	338	317
Additions	30	-
Disposals at opening market value	(28)	-
Unrealised (loss)/gain on investments	(19)	21
<b>Market value at 31 December 2011</b>	<b>321</b>	<b>338</b>
Historical cost at 31 December 2011	233	226

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

	2011 £'000	2010 £'000
Fixed interest securities	9	34
Equity shares	312	304
	<b>321</b>	<b>338</b>

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

	2011 £'000	2010 £'000
Units held		
nil CAF UK Equity Growth	-	26
19,666 HSBC Common Fund for Income	24	22
9,653 COIF	92	97
32,744 Schroders	76	84
4,601 Dresdner RCM Chariguard UK Equity Fund Income	86	92

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**9. DEBTORS**

	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
	<b>2011</b>	<b>2011</b>	<i>2010</i>	<i>2010</i>
	<b>£'000</b>	<b>£'000</b>	<i>£'000</i>	<i>£'000</i>
Trade debtors	728	728	227	227
Amount due from subsidiary company	-	170	-	165
Other debtors	16	20	-	-
Prepayments	48	48	45	45
Accrued income	19	19	43	43
	<u>811</u>	<u>985</u>	<u>315</u>	<u>480</u>

**10. CREDITORS:** amounts falling due within one year

	<b>Group</b>	<b>Charity</b>	<i>Group</i>	<i>Charity</i>
	<b>2011</b>	<b>2011</b>	<i>2010</i>	<i>2010</i>
	<b>£'000</b>	<b>£'000</b>	<i>£'000</i>	<i>£'000</i>
Trade creditors	181	181	107	98
Taxation and social security costs	35	35	51	25
Accruals	200	197	122	119
Deferred income	865	865	82	82
Other	6	6	11	11
	<u>1,287</u>	<u>1,284</u>	<u>373</u>	<u>335</u>

	<b>2011</b>	<i>2010</i>
	<b>£'000</b>	<i>£'000</i>
<b>Deferred income reconciliation:</b>		
Balance brought forward	82	83
Received in year	841	82
Utilised in year	<u>(58)</u>	<u>(83)</u>
Balance carried forward	<u>865</u>	<u>82</u>

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**11. 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.

<b>Obligations under operating leases comprise</b>	<b>Group 2011 £'000</b>	<i>Group 2010 £'000</i>
Land and buildings Expiring between 2 and 5 years	<u>81</u>	<u>81</u>
Fixtures and fittings Expiring between 2 and 5 years	<u>13</u>	<u>13</u>

**12. STATEMENT OF FUNDS**

	<i>1 Jan 2011 £'000</i>	Income £'000	Expenditure £'000	Investment Gains £'000	<b>31 Dec 2011 £'000</b>
General reserve	856	3,017	(3,213)		<b>660</b>
<u>Designated</u>					
Foundation	858	384	(152)	(19)	<b>1,071</b>
Gerald Doucet Memorial Fund	<u>3</u>				<u>3</u>
<b>Total</b>	<u>1,717</u>	<u>3,401</u>	<u>(3,365)</u>	<u>(19)</u>	<u>1,734</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.

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**13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

	Unrestricted			<b>Total £'000</b>
	General £'000	Foundation £'000	Gerald Doucet Memorial Fund £'000	
Tangible fixed assets	220			<b>220</b>
Investments		321		<b>321</b>
Net current assets	440	750	3	<b>1,193</b>
	660	1,071	3	<b>1,734</b>

**14. 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.

	<b>Total 2011 £'000</b>	<i>Total 2010 £'000</i>
Turnover	<b>528</b>	356
Administrative expenditure	<b>(27)</b>	(216)
Net profit/(loss)	<b>501</b>	140
Foreign exchange (loss)/gain	<b>(16)</b>	8
Profit on ordinary activities	<b>485</b>	148
Payment under gift aid	<b>(485)</b>	(148)
Retained profit for the year	<b>-</b>	-

**The aggregate of the assets, liabilities and funds was:**

Assets	<b>177</b>	203
Liabilities	<b>(177)</b>	(203)
Funds	<b>-</b>	-

**15. 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.