

Company Number: 4184478
Charity Number: 1086559

WORLD ENERGY COUNCIL
(A Company Limited By Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

**WORLD ENERGY COUNCIL
YEAR ENDED 31 DECEMBER 2006**

CONTENTS	Page
General Information	1
Trustees Report	2 – 11
Auditors' Report	12
Consolidated Statement of Financial Activities	13
Consolidated and Charity Balance Sheet	14
Notes to the Consolidated Financial Statements	15 – 23

**WORLD ENERGY COUNCIL
GENERAL INFORMATION
YEAR ENDED 31 DECEMBER 2006**

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

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

Name

Al-Moneef, Majid
Barnés, Francisco
Bundgaard-Jensen, Asger *
Caillé, André * + # ±
de Franco Medeiros, Norberto *
Fall, Alioune *
Gadonneix, Pierre (retired 1 November 2006 upon election as WEC Chair 2008-2010)
García, Elías Velasco (appointed 1 November 2006)
Jain, C.P. * + # ±
Kim, Younghoon David
Nadeau, Marie-José * (appointed 1 November 2006)
Testa Chicco
Teysen, Johannes (appointed 1 November 2006)
Wood, Ron + # ±
Zhang, Guobao

* *Member of Finance Committee* # *Member of Programme Committee*
+ *Member of Nominations Committee* ± *Member of Studies Committee*

Secretary General

Gerald Doucet

Registered Office

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

Auditors

Horwath 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, 7th Floor, United Kingdom House, 180 Oxford Street, London, W1D 1EA, UK

Solicitors

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

Investment Managers

Allianz Dresdner/RCM Asset Management
Charities Aid Foundation (CAF)
CCLA Investment Management Ltd (COIF)
Black Rock/Merrill Lynch Charinco and Charishare Common Investment Funds
Schroder Unit Trusts Limited
The HSBC Charity Common Investment Fund:
The HSBC Money Market Fund

WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2006

The Board of Trustees, who are also the Directors of the World Energy Council ("the Charity"), present their annual report for the year ended 31 December 2006 under the Companies Act 1985 and the Charities Act 1993, together with the audited financial statements for the year.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (2005).

REFERENCE AND ADMINISTRATIVE DETAILS

The World Energy Council, also known as WEC, is a registered charity (No. 1086559) and a company (No. 4184478) limited by guarantee, registered under the laws of England and Wales. Its registered office is as shown on page 1.

The present Trustees, and any past Trustees who served during the year, are also 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 page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by its Memorandum and Articles of Association, which were adopted on 21 March, 2001.

The Charity is comprised of autonomous Member Committees in 94 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 EA, regardless of size or subscription category. The Chair of the World Energy Council serves as Chair of the Executive Assembly.

The Executive Assembly has delegated responsibility for the Charity's main programme (charitable) activities to three Standing Committees: the Communications and Outreach Committee (established as a Standing Committee in September, 2006), the Programme Committee and the Studies Committee. The chairs of these Standing Committees also serve on the Officers Council.

The Memorandum and Articles provide for at least twelve Trustees (officers), who are elected by the Executive Assembly and report to it. The Executive Assembly has delegated to the officers responsibility for managing the business affairs and property of WEC and WSL, ensuring the policies approved by the EA are implemented and overseeing the performance of the Secretary General.

The officers have established two subcommittees which report to it: Nominations, which handles the nomination of new Trustees; and Finance, which supervises the financial affairs of WEC and WSL. The Trustees usually meet at least three times 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.

Trustees are elected for three-year terms and may be re-elected once. Trustees must be members of WEC and are expected to be familiar with and promote WEC's work, participate in meetings of the Officers Council and Executive Assembly and be able to support their travel and other expenses associated with serving as a Trustee. New Trustees receive an induction pack containing policy and other documents governing the work of the Officers Council and the Charity. The pack also includes a description of the Trustees' fiduciary and legal responsibilities and other pertinent information necessary for effective and informed decision-making. The Secretary General meets with new Trustees to orient them to their responsibilities when they are elected, and the WEC Chair and/or other currently serving officers may also meet with new Trustees to discuss their duties and the work of the Officers Council/Trustees.

WORLD ENERGY COUNCIL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006

CHIEF EXECUTIVE/SECRETARY GENERAL

The Secretary General serves as the chief executive of the Charity and its trading subsidiary. He is responsible for the day-to-day management of the Charity's affairs under the oversight of the Trustees and serves as an ex officio, non-voting member of the Trustees/Officers Council. He is assisted by a group of senior managers at the London office.

GROUP STRUCTURE

Within the Charity group is the WEC Foundation, which handles the WEC Charity investments, and WEC Services Limited ("WSL"), the Charity's wholly owned trading subsidiary and a separately registered UK company. WSL carries out non-charitable trading activities to raise funds, which it donates to the Charity under a deed of covenant as gift aid. WSL was incorporated on 18 June 2001.

The liability of the members is limited. 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 given or transferred to the Charity in accordance with the Memorandum and Articles of Association.

By deed of covenant, WSL makes a gift aid payment 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 profits that would otherwise be available for distribution. During 2006, WSL made an operating profit of £682 (2005: £38,402).

WSL's primary activities and outcomes for the reporting period were focused on carrying out trading and commercial partnership activities on behalf of the Charity to generate revenue to support the WEC work programme. These activities included:

- Continuation of the publishing partnership with Petroleum Economist to co-publish a series of topical regional and sectoral reports leading up to the 2007 Congress. The value of the contract is £80,000+, with WSL receiving a portion of the advertising revenues from each report. Two reports in the series, one on the Americas and one on Europe, were published in 2006.
- Sales of WEC publications from the 2002-2004 work cycle, with the majority of sales being processed through the website. The total value of publication sales for the year was £8,908 (2005: £8,100).
- The second year of data-gathering and analysis for the 2007 *Survey of Energy Resources*.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Trustees are responsible for their annual report as well as for preparation of financial statements for each financial year which 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;
- 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 Charity will continue in operation.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE
(CONTINUED)**

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 1985; and for safeguarding the assets of the Charity and for their proper application as required by charity law, which means they 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.

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware. The Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

RISK MANAGEMENT

The Trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This assessment is carried out each December and involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating them. As part of this process, the Trustees review on an annual basis the adequacy of the Charity's current internal controls. Procedures have been established for reporting failings immediately to appropriate levels of management and to the Trustees.

The biggest risk to the Charity is a significant loss of members, since membership subscriptions comprise the main source of operating revenue. Therefore, the Trustees routinely review the health of WEC's Member Committees, looking particularly at any Committees which have displayed signs of weakness, are facing problems relating to recruiting and retaining members and/or have built up subscription arrears. The Trustees also look at overall membership numbers and review the new member recruitment process.

Another significant risk is the viability of the WEC Patrons programme. The nearly £700,000 which the Programme brought in during 2006 provided support for the greatly expanded WEC work programme. Failure to attract new Patrons in 2007 and beyond could have a very serious impact on the Charity's activities.

Other general risk factors which are part of the Trustees' risk assessment include the Charity's website, membership database, offices and equipment, IT system, personnel, contractual obligations, legal issues, financial health, financial reserves and insurance coverage.

Specific risks in 2006 included (1) the expanded work programme and the level of human and financial resources required to support it and (2) concern that payments made by the Rome Congress organisers and the WEC Patrons were in US dollars. To date, these funds have been kept in US dollars, but if they had to be converted into sterling, there could be a significant loss of income due to the continuing unfavourable exchange rate.

The Trustees are satisfied, however, that the system of internal checks and balances they have put in place serves to safeguard the Charity sufficiently against the majority of risks it might face.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006**

OBJECTS AND PRINCIPAL ACTIVITIES OF THE CHARITY

The Charity is the leading global multi-energy organisation. Its mission is to promote the sustainable supply and use of energy for the greatest benefit of all people by:

- Carrying out studies and research related to important energy issues and publishing or otherwise disseminating the results to WEC members and the general public;
- Holding conferences, meetings, workshops and forums to discuss energy issues and disseminate the results of its work;
- Collaborating with other organisations in the energy sector with compatible goals.

WEC operates in three-year work cycles. Each work cycle culminates in the triennial World Energy Congress. The incoming Chairman of WEC sets his vision for the direction or overall "theme" of each work cycle based on emerging energy issues as well as on WEC's overarching mission, goals and objectives. WEC Member Committees suggest specific studies, technical work and regional activities which could be carried out to address the Chairman's stated vision and WEC's mission, goals and objectives. Based on this input, as well as on input from the Trustees and senior London office staff, a three-year Business Plan is then developed at the beginning of each three-year cycle which sets out the specific goals and activities to be carried out between Congresses.

The goals for the 2005-2007 Business Plan included:

- Rationalising and publicising studies and programmes;
- Boosting WEC's regional presence by establishing and implementing three-year regional action plans;
- Enhancing communications and outreach;
- Reinforcing membership support;
- Balancing the WEC budget.

The second year of each work cycle/Business Plan is often intense, with the majority of data-gathering and research taking place, preliminary conclusions of the studies and technical work beginning to emerge, draft reports being shaped and work on the next Congress intensifying. The Charity's achievements for 2006 against the Business Plan goals are discussed under "Achievements and Performance".

ACHIEVEMENTS AND PERFORMANCE

I. Rationalising and publicising studies and programmes

The final data-gathering and research work on the *Energy and Climate Change* study was completed in 2006. With climate change being such a major topic right now, the study was particularly germane, and it was decided to base the 2007 *WEC Statement* on the study results. The *Energy and Climate Change* report will be completed in the spring of 2007; it will then be published and will be the focus of a media launch in London as well as a feature at the Rome Congress.

WEC's most ambitious global study, *Energy Policy Scenarios to 2050*, is also heading toward completion. All WEC regions have compiled data for inclusion in the final report in order to give a "bottom up" point of view, and seven specialist groups representing various energy issues have also provided input. The final report will be published just before the Rome Congress, with a major media launch in London to draw attention to the messages and findings from what is one of the most visible and widely touted studies WEC has undertaken in recent years. *Scenarios* will also be the focus of a Roundtable and a special WEC session at the Rome Congress.

The 2007 edition of WEC's flagship publication, the *Survey of Energy Resources*, is on track to be published in time for the Rome Congress. The editors have worked with WEC Member Committees, governments and energy bodies worldwide to bring together data about seventeen different energy resources and have lined up a list of global experts to write the commentary. The *Survey* will be included in the delegate packs for the Rome Congress.

WORLD ENERGY COUNCIL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

As another important outlet for *Scenarios* and *Energy and Climate Change*, WEC worked with the International Chamber of Commerce and the World Business Council on Sustainable Development on Business Action for Energy to optimise industry inputs to the 14th and 15th Sessions of the UN Commission on Sustainable Development, where WEC will participate in several side events.

During 2006, the **Energy Efficiency Policies and Indicators Committee**, an ongoing joint project between WEC and the French Environment and Energy Management Agency (ADEME), began finalising the data to be included in the Committee's triennial report for the Rome Congress. The Committee also held a meeting and technical workshop in Paris in May, the latter focusing on how energy efficiency policies and indicators help shape government policies.

The **Performance of Generating Plant Committee** completed the work it began in 2005 on restructuring and upgrading the PGP database on the WEC website. The new structure will allow reporters to send their data in both unit-by-unit and groups-of-units formats and will increase the effectiveness and accuracy of the triennial report to be produced for the Rome Congress. The PGP group also held meetings in Estonia and Egypt and hosted workshops in both locations focused on benchmarking and improving power plant performance.

Cleaner Fossil Fuels Systems (in cooperation with the US Department of Energy) focuses on the development, application and effectiveness of cleaner fossil fuel technologies and systems. In 2006, the group met and held technical workshops in the UK, Qatar, Estonia and Romania. The Committee is also working on an ongoing project to identify Carbon Capture and Storage (CCS) demonstration projects in developing countries and to that end, WEC took a lead role in the Carbon Sequestration Leadership Forum in 2006.

The **Grid Reliability** project was launched in 2005, after the series of blackouts in the US and Europe, to review the impact of these events, develop a better understanding of large grid management processes, formulate recommendations and communicate the findings. The latter was done via a major workshop held in London in October, and a series of additional workshops were planned for 2007 to further disseminate the findings.

Preparations for the **20th World Energy Congress** to be held in Rome in November 2007 are progressing according to plan. The Congress is one of WEC's most visible deliverables, and the exposure it provides for WEC's name, messages and work is fundamental to WEC's continuing success. The Congress also provides part of the funding for WEC's future work programme, so its financial profitability is key. As of the end of 2006, the Congress programme schedule had been finalised, most of the speakers for the Special Address, Keynote and Roundtable sessions had been confirmed, and in early 2007, the Discussion Session Chairs will be identified. Over 500 papers have been submitted, and a Review Panel is being constituted to evaluate these. There has been a major global marketing effort, and in September, 2006, the Congress website and registration system opened.

li. Boosting WEC's regional presence by establishing and implementing three-year regional action plans

As part of the 2005-2007 Business Plan, each region developed an action plan to focus on energy issues of importance in the region and to support WEC's "bottom up" approach. The 2005 outcomes of each region's action plan were carefully reviewed and evaluated, and some plans were adjusted or enhanced for 2006.

In **Africa**, Regional Forums were held in Algeria and South Africa, with regional *Scenarios* meetings taking place in conjunction with the forums. A new initiative on Grand Inga was also developed, with plans for WEC to convene a forum of key energy and energy-related players from around the world to focus on how the potential of Grand Inga could be realised to provide sustainable, accessible energy for all of Africa. The plan calls for the Inga forum to take place in early 2007. Efforts to establish a new Centre of Excellence for Sustainable Energy in Senegal or Egypt were also under consideration, although no final decision had been made by the end of 2006.

WORLD ENERGY COUNCIL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

The main activities in **Asia** in 2006 were a major regional forum in Seoul, Korea, in November and the ongoing work of the Centre for Excellence in Sustainable Energy in Manila. In addition, the Asia-Pacific Cross Border Project continues, and South Asia established a task force to examine energy resource profiles and renewables financing.

The **Europe** region undertook two studies for the 2005-2007 work cycle, one on the future of nuclear in Europe and the second on energy security. The nuclear study was nearing completion at the end of 2006 and was launched at a major media event in London in early 2007, with additional launches in other countries. The security study is on target for completion in 2007. The annual meeting of European Member Committees with the European Commission was held in Brussels in June, and two European Regional meetings and a number of regional *Scenarios* meetings also took place.

In the **Latin America/Caribbean** region, the main initiative focused on plans to carry out an energy integration study, which was discussed extensively at a LAC meeting in Rio in March. A successful bi-regional forum was held with North America in Mexico City in June.

North America is making good progress on three regional studies covering regional energy trade, energy diversification and energy efficiency and expects the results of these studies to be ready in time for the Rome Congress.

III. Enhance communications and outreach

A Communications Plan was approved by the Communications and Outreach Committee at the end of 2005 and was reviewed, updated and enhanced by the Committee toward the end of 2006. In 2006, a number of initiatives from the plan were implemented. One of these was to launch a new WEC flagship publication to heighten WEC's visibility among decision-makers, government officials, policymakers and the media. A small task force was brought together to plan the focus of this new publication, and *World Energy in 2006* was published in June. Although feedback was generally positive, the publication will be re-evaluated by the Communications and Outreach Committee in 2007.

The three-year (2005-2007) partnership with Petroleum Economist to produce a series of advertising-based regional and sectoral reports as well as a major report for the Rome Congress continued into its second year, with regional reports covering the Americas and Europe being published in 2006. This project was handled through WSL.

The importance of the communications and outreach effort was underscored when the Executive Assembly voted at the Tallinn meetings to approve the Communications and Outreach Committee (which had formerly been a subcommittee of the Officers Council) as WEC's third Standing Committee.

Other key communications efforts to increase WEC's visibility and enhance its name recognition have been to look at redesigning the WEC website, re-branding the WEC image and enhancing WEC's relations with the national and international media by hosting a series of monthly media roundtables.

Other Activities

Although the following two objectives from the 2005-2007 Business Plan do not directly relate to WEC's charitable activities, they are nonetheless important to the Charity's future. These are:

I. Reinforce membership support

Membership in 2006 remained stable at 94 Member Committees, with Belarus and Ecuador withdrawing, Iraq joining and Norway on the verge of rejoining. This stability reflects the value members see in WEC's global work, its network and its overarching, multi-energy focus.

Efforts continue to recruit new members in Central Asia and to bring back former members in Eastern Europe, Asia and Latin America.

Under the "Member Committee Visit" programme implemented in 2005, the Secretary General, senior managers from the London office and regional coordinators visited over 40 Member Committees in 2006. A new "Champions" programme was also established, in which senior WEC London staff are assigned to act as client managers to specific Member Committees in Categories 6 and 7 to keep lines of communications open and to provide advice and support. The programme of Member

Committee visits will continue in 2007, with the aim of visiting every Member Committee at least once every three years.

WORLD ENERGY COUNCIL TRUSTEES' REPORT (CONTINUED) YEAR ENDED 31 DECEMBER 2006

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

II. Balance the WEC budget

The second year of each three-year cycle is always challenging financially, since most of the funds from the previous Congress have been drawn down, publication sales are dropping because the publication are aging and revenues for the next Congress have not yet begun to come in, but the resource demands for programmatic and operational needs still require a significant level of funding.

In 2006, membership subscriptions brought in approximately £1,200,000 of WEC's £1,900,000. Revenues associated with the WEC Patrons programme made up the bulk of the difference, with the WSL contract with Petroleum Economist and miscellaneous revenues making up the rest. Tight controls on spending, use of interns and secondments and deferred capital purchases helped reduce the anticipated year-end deficit which is usual in the year before a Congress.

The Congress revenues will begin to come in during 2007, and a number of potential new revenue streams are being explored. These, along with the continuation of the WEC Patrons programme and structured contingency plans for managing any revenue shortfalls will continue to help WEC balance its budget.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA), set out on page 13, shows the following results for the year.

Income Generation

Income generation during the year was £2,317,000 (2005: £1,952,000). The two primary sources of income were membership subscriptions and the WEC Patrons programme. This total is a significant achievement, and the Charity thanks all its Member Committees and supporters, including the 2006 WEC Patrons, for helping to achieve this income level.

Subscription income was £1,192,000 (2005: £1,165,000) for the year. A healthy recovery of arrears was also made. The Patrons contributed £689,000 (2005: £513,000), which was added to the designated fund, the WEC Foundation.

WSL's 2006 year-end net profit of £682 will be transferred from WEC Services Limited to WEC Charity under the Gift Aid provision during 2007.

Resources Expended and Services

Total resources expended by WEC and WSL in 2006 amounted to £2,524,000 (2005: £1,656,000). This included expenditures of £1,565,000 (2005: £944,000) on the work programme. See Note 3 for further details of resources expended.

FINANCIAL MANAGEMENT POLICIES

Investment Policy and Returns

WEC's overall investment policy is based on a conservative, low-risk approach to preserve capital while still providing modest to good returns. This is mainly achieved through the use of Charity Commission-recommended Common Investment and Deposit Funds, which minimise risk by using a spread of professionally selected funds. WEC's investment policy does not set specific ROI or income targets.

The separate investment policies for the Charity and the Foundation Fund are reviewed annually and have the following objectives:

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

The investments of WEC (excluding the WEC Foundation), which consist principally of cash surpluses, are placed in high-interest, short-term deposits. WEC Charity, by policy, does not invest in equity funds.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006**

Investment Policy and Returns (continued)

WEC Services Ltd. did not hold any investments in 2006.

An additional investment guideline for the Foundation Fund regarding the division between funds aims to maintain the following range:

- 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 - income from dividends & interest

Fund managers for the Charity and the Foundation are listed on page 1 of these financial statements. All funds are invested with top-tier UK banks or other institutions, such as Common Deposit and Investment Funds approved by the Charity Commission.

The US dollars held in the designated Foundation fund have not been converted to sterling but have been invested in US dollar-based Treasuries, which offer a modest return. Currently, that is the only option available for the Foundation's US dollars since there are no Charity Commission-approved dollar-based CIDs. The Finance Committee is considering whether there are other investment alternatives for the US dollars that meet the Foundation Investment Policy criteria and will explore this further in 2007.

In 2006, the market rebounded and interest rates increased slightly, providing £24,000 in interest and £28,000 in dividends from the Charity's investments.

In order to meet cash needs in sterling to finance the work programme, the following investments were sold during the period:

£24,000	Merrill Lynch Common Investment Income Fund
£28,000	COIF/CCLA Fixed Interest Fund
£28,000	CAF Bond Income Fund
£30,000	Schroder Fixed Interest Fund
£40,000	Allianz Chariguard Fixed Interest Fund
£200,000	CAF Equity Growth Fund
£140,000	Black Rock/Merrill Lynch Charishare Fund

In 2006, £658,000 was transferred from the designated Foundation fund and used for work programme expenditure.

The Foundation's assets grew to £1,547,000 as fewer funds than planned were transferred to free reserves (ref. below).

At 31 December 2006, the group investments, excluding cash deposits, were valued at £487,000 (2005: £903,000).

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006**

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 or designated for particular purposes. For 2006, free reserves of £88,000 were held as of 31 December.

WEC's reserves policy stipulates that total unrestricted reserves of 20% of cash expenditures from the previous year are required, not counting the unrestricted but designated funds of the WEC Foundation.

Of this reserve, 4/5 (80%) is intended to meet operating expenses for at least two months. The remaining 1/5 (20%) is intended to safeguard the Charity's work programme commitments in the event of delays in receipt of partnership grants, lower than expected earnings by the WEC Foundation or a lower than expected performance by the trading subsidiary in non-Congress years. For 2006, the level of reserves required according to the stated policy was £331,200 (20% of £1,656,000 expended in 2005). The Trustees have noted the difference between free reserves and the stated policy; however, there are sufficient reserves within the WEC Foundation to support the work programmes.

The Trustees review annually the value of the reserves retained in the form of investments, cash and cash equivalents not held for restricted purposes or designated projects.

They consider the Charity's exposure to major risks in terms of the likely impact on its income sources and planned expenditure in the short to medium term. They also assess the best way to mitigate such risks. With income, the major risks are a decline in subscription revenues, failure to meet the Patron programme targets, a significant downturn in the market, and, more remotely, failure of the Congress organisers to pay the contracted amount to the Charity.

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 give their suggestions and views on the Charity's aims, objectives, work programme and business plan.

WEC/WSL do not discriminate, nor tolerate discrimination, on the grounds of colour, race, ethnic or national origin, religion, disability, marital status or sex, either in the hiring process or in the workplace. All employees are expected to adhere to this policy.

FUTURE PLANS

We believe the Charity has a sound financial basis upon which to build for the future. The 2005-2007 cycle is coming to a conclusion, and the benefits from the doubled size of the current work programme are beginning to pay off. It is likely that the 2008-2010 Business Plan, which was being drafted at the end of 2006, will include a similarly expanded work programme to better serve the needs of members and increase WEC's visibility and credibility both within and outside the energy sector. Plans for the 2007 Rome Congress are well established, and it is anticipated that this will be a very successful Congress, both programmatically and financially.

Although the membership has remained stable for the last eight years, WEC must continually find new and better ways to illustrate to its members the value and benefits WEC membership offers, and it must help Committees face the challenges posed by globalisation, mergers, fluctuation in energy prices and geopolitics, among others.

For the near future, WEC seeks to improve WEC's visibility and name recognition, support and strengthen its members, seek beneficial partnerships with other organisations and become or remain involved in key energy issues and projects around the world.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006**

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out later in 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 Tallinn Executive Assembly assumed their seats on 1 November and are also listed on page 1 of this report.

All Directors are guarantors.

AUDITORS

A resolution to reappoint Horwath Clark Whitehill LLP will be put to the Board at the Annual General Meeting.

Approved by the Board on 4 June, 2007, and signed on behalf of the Board by

André Caillé
Chair
World Energy Council

Asger Bundgaard-Jensen
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 2006 which comprise the Consolidated Statement of Financial Activities, the Charity and Consolidated Balance Sheets and related notes set out on pages 15 to 23. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 15 to 17.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities Of Trustees And Auditors

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 3 and 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 31 December 2006 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Date

St Bride's House
10 Salisbury Square
London EC4Y 8EH

WORLD ENERGY COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Restricted £'000	Unrestricted £'000	Group Total 2006 £'000	As restated Group Total 2005 £'000
INCOMING RESOURCES					
Income from activities in furtherance of the Charity's objects					
--Subscription fees		-	1,192	1,192	1,165
--Patron income		-	689	689	513
--Project income		127	-	127	104
--Gifts in kind		-	215	215	25
Activities for generating funds					
--Royalties, publication sales, internet revenues		-	27	27	30
--Other income		-	13	13	22
Interest		-	24	24	12
Dividends		-	28	28	33
Foreign Exchange gain		-	2	2	48
Congress Income		-	-	-	-
Total incoming resources	2d	127	2,190	2,317	1,952
RESOURCES EXPENDED					
Charitable Activities					
--Subscription costs		-	729	729	673
--Work programme		130	1,435	1,565	944
--Congress expenditure		-	-	-	-
--Gifts in kind		-	215	215	25
Governance costs		-	15	15	14
Total resources expended	3	130	2,394	2,524	1,656
Net (outgoing)/incoming resources		(3)	(204)	(207)	296
Other recognised gains and losses					
Gains/(Losses) on investments					
Realised		-	29	29	-
Net (expenditure)/income for the year		(3)	(175)	(178)	296
Unrealised investment gains		-	45	45	110
Net movement in funds		(3)	(130)	(133)	406
Accumulated fund balances brought forward		35	1,830	1,865	1,459
Accumulated Fund balances carried forward		32	1,700	1,732	1,865

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

The notes on pages 15 to 23 form part of these financial statements.

WORLD ENERGY COUNCIL
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2006

	Notes	Group 2006 £'000	Charity 2006 £'000	<i>Group 2005 £'000</i>	<i>Charity 2005 £'000</i>
FIXED ASSETS					
Tangible assets	7	65	65	81	81
Investments	8	487	487	903	903
		552	552	984	984
CURRENT ASSETS					
Debtors	9	395	405	388	409
Short term deposits		872	872	4	4
Cash at bank and in hand		329	313	751	719
		1,596	1,590	1,143	1,132
CREDITORS: amounts falling due within one year	10	416	410	262	251
NET CURRENT ASSETS		1,180	1,180	881	881
TOTAL ASSETS		1,732	1,732	1,865	1,865
FUNDS					
	12 & 13				
Restricted		32	32	35	35
Unrestricted					
Designated Fund – WEC Foundation		1,547	1,547	1,486	1,486
Other		153	153	344	344
		1,732	1,732	1,865	1,865

These financial statements were approved by the Trustees on 4 June 2007 and signed on their behalf:

André Caillé
Chair
World Energy Council

Asger Bundgaard-Jensen
Chair
Finance Committee

The notes on pages 15 to 23 form part of these financial statements.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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 proceeds of the investments are used primarily to fund the WEC work programme.

WEC Services Limited (WSL), a company with share capital which is registered in England and Wales and 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 1985.

b) Consolidation

The financial statements of the subsidiary are consolidated with those of the Charity on a line-by-line basis.

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 expenditure are allocated to the appropriate fund.

d) Incoming resources

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

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

**WORLD ENERGY COUNCIL
TRUSTEES REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006**

d) Incoming resources (continued)

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

Gifts received in kind are recognised as income at the amount that would have been received had the gift been made in cash. Gifts are accounted for on a received basis.

e) Resources expended

The comparatives for 2005 have been restated to reflect the adoption of SORP 2005.

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 in compliance 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
Office equipment and GEIS website development costs	- over 4 years

g) Investments

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

h) Foreign currency transactions

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

i) Cash and bank balances

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

**WORLD ENERGY COUNCIL
TRUSTEES REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006**

j) Taxation

Under Section 505 of the Income and Corporation Taxes Act of 1998, a charity is exempt from tax on its income insofar as it is applied for charitable purposes only. All of the disbursements appear to fall within the charitable objects, and consequently, no tax liability will arise.

k) 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 sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

l) Operating Leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

m) Irrecoverable VAT

WEC is not registered for VAT, and accordingly, resources expended are shown gross of irrecoverable VAT.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

3. RESOURCES EXPENDED

	Unrestricted Fund	Restricted Funds	2006 Total	<i>As restated 2005 Total</i>
	£	£	£	£
Subscription costs				
Staff	322	-	322	387
Bad debts	73	-	73	60
Travel and entertainment	122	-	122	138
Bank charges and interest	4	-	4	3
Exchange loss	99	-	99	-
Support costs	109	-	109	85
	<u>729</u>	<u>-</u>	<u>729</u>	<u>673</u>
Work programme				
<u>Project</u>				
CESE	-	87	87	41
SER	-	28	28	29
CIDA – AFRICA	-	-	-	1
<u>Studies</u>				
Staff costs	106	-	106	142
General expenses	39	-	39	26
Scenarios	322	-	322	67
Energy & Climate Change	8	15	23	5
Support costs	44	-	44	34
<u>Programmes</u>				
General expenses	7	-	7	7
<u>Technical programme</u>				
Staff Costs	78	-	78	62
PGP	63	-	63	42
CFFS	11	-	11	3
EnEff	15	-	15	-
Grid Reliability	9	-	9	1
Financing Renewables	1	-	1	5
GHG database	-	-	-	14
Support costs	44	-	44	34
<u>Regional programme</u>				
Staff costs	29	-	29	37
General expenses	21	-	21	12
Africa	49	-	49	19
Asia	37	-	37	14
Europe	57	-	57	34
LAC	91	-	91	33
North America	4	-	4	-
Support costs	44	-	44	34
<u>Communications & Outreach</u>				
Salary costs	119	-	119	36
General expenses	25	-	25	19
IT GEIS	25	-	25	28
Printing, design, translation	12	-	12	72
External relations	1	-	1	8
Travel	13	-	13	-
Flagship publication	50	-	50	-
Support costs	111	-	111	85
	<u>1,435</u>	<u>130</u>	<u>1,565</u>	<u>944</u>

**WORLD ENERGY COUNCIL
TRUSTEES REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2006**

3. RESOURCES EXPENDED (CONTINUED)

	Unrestricted Fund £	Restricted Funds £	2006 Total £	<i>As restated 2005 Total £</i>
Congress expenditure	-	-	-	-
Gift in kind	215	-	215	25
Governance costs				
Audit	13	-	13	12
Trustee meetings	2	-	2	2
	15	-	15	14
RESOURCES EXPENDED	2,394	130	2,524	1,656

4. SUPPORT COSTS

	Unrestricted Fund £	Restricted Funds £	2006 Total £	<i>As restated 2005 Total £</i>
Support costs				
Accommodation costs	131	-	131	120
Office services	83	-	83	75
Accountancy	45	-	45	26
Legal and professional	68	-	68	32
Depreciation	19	-	19	18
Other	6	-	6	1
	352	-	352	272

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

5. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees neither received nor waived any emoluments during the year (2005: £nil). During the year, £877 (2005: £1,999) was reimbursed to two Trustees for travel expenses (2005: one Trustee).

6. STAFF COSTS

	2006 £'000	<i>2005 £'000</i>
Wages and salaries	581	616
Social security costs	37	45
Pension cost	1	-
Other staff costs	35	4
	654	665

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

6. STAFF COSTS (Continued)

During the year, nil (2005: one) employee received emoluments between £90,000 - £100,000. No employee received emoluments of more than £60,001. Also included within salaries and wages are payments made to a third party company amounting to between £150,000 - £160,000.

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 7 (2005:10).

7. TANGIBLE FIXED ASSETS

All tangible fixed assets are held by the Charity.

	Leasehold improvements £'000	Office equipment £'000	GEIS Website £'000	Total £'000
Cost				
At 1 January 2006	146	81	193	420
Additions	-	3	-	3
Disposals	-	(2)	-	(2)
At 31 December 2006	146	82	193	421
Accumulated depreciation				
At 1 January 2006	76	70	193	339
Charge for period	14	5	-	19
Disposals	-	(2)	-	(2)
At 31 December 2006	90	73	193	356
Net Book Values				
At 31 December 2006	56	9	-	65
<i>At 31 December 2005</i>	<i>70</i>	<i>11</i>	<i>-</i>	<i>81</i>

8. FIXED ASSET INVESTMENTS

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

	2006 £'000	<i>2005</i> £'000
Market values		
Market value at 1 January 2006	903	793
Disposals	(461)	-
Unrealised gain on investments	45	110
Market value at 31 December 2006	487	<i>903</i>
Historical cost at 31 December 2006	303	<i>700</i>

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

8. FIXED ASSET INVESTMENTS (CONTINUED)

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

	2006	<i>2005</i>
	£'000	<i>£'000</i>
Fixed interest securities	34	<i>191</i>
Equity shares	453	<i>712</i>
	487	<i>903</i>

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

Equity			
Units held			
9,653	COIF	111	<i>101</i>
53,224	Schroders	142	<i>128</i>
7,873	Dresdner RCM Chariguard	164	<i>146</i>

9. DEBTORS

	Group	Charity	<i>Group</i>	<i>Charity</i>
	2006	2006	<i>2005</i>	<i>2005</i>
	£'000	£'000	<i>£'000</i>	<i>£'000</i>
Trade debtors	214	214	<i>310</i>	<i>310</i>
Amount due from subsidiary company	-	37	<i>-</i>	<i>52</i>
Other debtors	1	-	<i>13</i>	<i>11</i>
Prepayments	36	36	<i>36</i>	<i>36</i>
Accrued income	144	118	<i>29</i>	<i>-</i>
	395	405	<i>388</i>	<i>409</i>

10. CREDITORS: amounts falling due within one year

Trade creditors	167	167	<i>155</i>	<i>147</i>
Taxation and social security costs	15	13	<i>18</i>	<i>17</i>
Accruals	190	187	<i>48</i>	<i>46</i>
Deferred income	21	21	<i>41</i>	<i>41</i>
Other	23	22	<i>-</i>	<i>-</i>
	416	410	<i>262</i>	<i>251</i>

	2006	<i>2005</i>
	£'000	<i>£'000</i>
Deferred income reconciliation:		
Balance brought forward	41	<i>40</i>
Received in year	21	<i>41</i>
Utilised in year	(41)	<i>(40)</i>
Balance carried forward	21	<i>41</i>

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

11. FINANCIAL COMMITMENTS

Commitments under leases to pay rentals during the year 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 2006 £'000	<i>Group 2005 £'000</i>
Land and buildings: Expiring between 2 and 5 years	<u>89</u>	<u>89</u>
Fixtures and fittings Expiring between 2 and 5 years	<u>15</u>	<u>15</u>

12. STATEMENT OF FUNDS

	1 January 2006 £'000	Income £'000	Expenditur e £'000	Investment Gains £'000	Transfers £'000	31 December 2006 £'000
General reserve	344	1,378	(2,227)	-	658	153
Designated – Foundation	1,486	731	(86)	74	(658)	1,547
Africa project (restricted)	3	-	-	-	-	3
Survey of Energy Resources (restricted)	-	25	(25)	-	-	-
CESE Manila (restricted)	32	87	(90)	-	-	29
Energy & Climate study	-	15	(15)	-	-	-
Total	<u>1,865</u>	<u>2,236</u>	<u>(2,443)</u>	<u>74</u>	<u>-</u>	<u>1,732</u>

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

The Africa fund was used to support the African Integration Study.

The Survey of Energy Resources funding was used to support the preparation and production of the 2007 edition of the Survey.

The CESE Manila fund was used to fund the Centre for Excellence in Sustainable Energy (CESE) project in the Philippines.

The Energy and Climate Change funding was received to partially support the Energy and Climate Change study.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2006

13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General £'000	Foundation £'000	Africa Project £'000	CESE Manila £'000	Total £'000
Tangible fixed assets	65	-	-	-	65
Investments	-	487	-	-	487
Net current assets	88	1,060	3	29	1,180
	<u>153</u>	<u>1,547</u>	<u>3</u>	<u>29</u>	<u>1,732</u>

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 publication sales, Internet revenues, Congresses and generating royalties from joint projects. In addition, non-tax exempt events are also carried out by the subsidiary. 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 2006 £'000	<i>Total 2005 £'000</i>
Turnover	71	<i>72</i>
Administrative expenditure	(70)	<i>(72)</i>
Net profit	1	<i>-</i>
Interest Receivable	-	<i>5</i>
Foreign exchange gain	-	<i>34</i>
Payment under gift aid	(1)	<i>(39)</i>
Retained profit for the year	-	<i>-</i>

The aggregate of the assets, liabilities and funds was:

Assets	43	<i>63</i>
Liabilities	(43)	<i>(63)</i>
Funds	-	<i>-</i>

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.