

WEC SERVICES LIMITED
(A Company Limited By Guarantee)
REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 2004

WEC SERVICES LIMITED
DIRECTORS AND ADVISORS
FOR THE YEAR ENDED 31 DECEMBER 2004

LEGAL AND ADMINISTRATIVE INFORMATION

Directors:

Aiken, Philip Stanley	(retired 31 October 2004)
Ailleret, François	(retired 31 October 2004)
Bundgaard-Jensen, Asger	
Derrick, John Martin	(retired 31 October 2004)
Fall, Alioune	
Medeiros, Norberto de Franco	
Miyahara, Shige-etsu	
Kieran O'Brien	(retired 31 October 2004)
Phaswana, Fred	(retired 31 October 2004)
Pierro, Carlos	(retired 31 October 2004)
del Rosario, Antonio	(retired 31 October 2004)
Al-Moneef, Majid	(appointed 1 November 2004)
Barnés, Francisco	(appointed 1 November 2004)
Caillé, André	(appointed 1 November 2004)
Gadonneix, Pierre	(appointed 1 November 2004)
Jain, C.P.	(appointed 1 November 2004)
Testa, Chicco	(appointed 1 November 2004)
Wood, Ronald R.	(appointed 1 November 2004)

CHIEF EXECUTIVE: Gerald Doucet

REGISTERED OFFICE: WEC Services Ltd, Regency House, 1-4 Warwick Street,
London, W1B 5LT, UK

AUDITORS: Horwath Clark Whitehill LLP, 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: Landwell, St. Andrew's House, 20 St Andrew Street,
London, EC4A 3TL, UK

WEC SERVICES LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2004

The Directors present their report, together with the audited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

WEC Services Limited is a wholly-owned subsidiary of the World Energy Council, an incorporated Charity. The Company was incorporated on 18 June 2001 and is limited by guarantee.

The Company is used for on-primary-purpose trading activities, namely publication sales, Internet revenues, Congresses and generating royalties from joint projects. In addition, corporate sponsorships and non-tax-exempt events are carried out by the Company. The total net profit is gifted to the Charity. The Company has a cyclical income that is much higher in a Congress year (every third year); during such years, the Company also carries increased expenses. Congress years are followed by two years of lower revenues and expenses. WEC Services Limited operates on an annual break-even policy directive from the Board of Directors.

In 2004, WSL was responsible for continuing to carry out three third party contracts; the agreement with Sydney World Energy Congress (SWEC) for Congress royalties and payments for the use of GEIS and the production of the 2004 *Survey of Energy Resources*; the publishing partnership with FIRST Magazine; and the agreement with Elsevier to produce, market and sell the 2004 *Survey of Energy Resources*, SWEC paid all of the agreed fees, including a flat fee of \$700,000 US that will be used to fund the 2005-2007 WEC Work Programme. The contract with FIRST Magazine ended on 31 December 2004; WSL has held a tender to select the publishing partner for the 2005-2007 period. The contract with Elsevier runs until 2006, and they have expressed interest in renewing it at that time, based on the success of the 2004 SER.

WSL also generated nearly £12,000 in publications revenue in 2004, a record in the recent history of WEC. The majority of these sales were generated through the Publications section on GEIS.

The results of the Company for the year ended 31 December 2004 are set out later in these financial statements.

CHARITABLE CONTRIBUTIONS

By deed of covenant, the Company makes a gift aid payment of its total taxable profits no later than 30 September of the following year to the parent Charity, World Energy Council. For the year ended 31 December 2004, a payment of £336,000 will be made. The Company had no tax liability in 2004.

DIRECTORS

The names of the Directors in office at the date of this report are shown on page 1. New Directors were elected at the Executive Assembly in September 2004. The new Directors, also listed on page 1, were seated as of 1 November 2004.

DIRECTORS' INTERESTS

All Directors who held office on 31 December 2004 are also Directors of the parent company.

No Directors had a material interest in any contract or arrangement during the year to which the Company or any subsidiary is, or was, a party.

**WEC SERVICES LIMITED
DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004**

AUDITORS

With the approval of the Executive Assembly at its meeting in Sydney in September, 2004, the Directors appointed Horwath Clark Whitehill LLP as auditors for the Company.

By order of the Board

André Caillé

Gerald Doucet

Director

Chief Executive

WEC Services Limited
Regency House
1-4 Warwick Street
London
W1B 5LT

Date:

WEC SERVICES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2004

The purpose of this statement is to distinguish the directors' responsibilities for the financial statements from those of the auditors as stated in their report.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility to take such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEC SERVICES LIMITED

We have audited the financial statements of WEC Services Limited for the year ended 31 December 2004. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 company's members those matters we are required to state to them in an auditors' 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 directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' 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 United Kingdom Auditing Standards 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP
Chartered Accountants and
Registered Auditors

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

WEC SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £000	<i>2003</i> <i>£000</i>
TURNOVER	2	468	63
Administrative costs		<u>132</u>	<u>63</u>
OPERATING PROFIT	3	336	-
Interest receivable & similar income		<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX TAXATION		<u>336</u>	-
	5		
Profit on ordinary activities after tax		-	-
Payment under deed of Covenant		<u>(336)</u>	<u>-</u>
RETAINED PROFIT FOR THE PERIOD		<u>-</u>	<u>-</u>

The profit and loss account contains all gains and losses recognised in the current and preceding years.

The notes on pages 8 to 10 form part of these financial statements.

WEC SERVICES LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2004

	Note	2004 £000	<i>2003</i> <i>£000</i>
CURRENT ASSETS			
Debtors	6	12	<i>30</i>
Cash at bank and in hand		441	<i>11</i>
		453	<i>41</i>
CREDITORS: amounts falling due within one year	7	(453)	<i>(41)</i>
NET ASSETS		-	<i>-</i>
TOTAL ASSETS		-	<i>-</i>
CAPITAL AND RESERVES			
Profit and loss account		-	<i>-</i>

These financial statements were approved by the Board on and signed on behalf of the Board.

} Directors

The notes on pages 8 to 10 form part of these financial statements.

WEC SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

1. STRUCTURE OF THE SUBSIDIARY

WEC Services Limited (WSL) is the trading subsidiary of the World Energy Council. The Trustees of the World Energy Council are also the Directors of WSL. The Charity is the sole member of WEC Services Limited, a Company limited by guarantee, registered in England and Wales and incorporated on 18 June 2001.

The subsidiary is used for non-primary-purpose trading activities, namely publication sales and generating Internet revenue. Congress revenues and royalties from joint projects. In addition, corporate sponsorships and non-tax exempt events are carried out by the subsidiary. Each year, the net taxable profit is gifted to the Charity.

The Charity's investment in this subsidiary is £100.

2. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 1985. The Directors have reviewed the Company's existing accounting policies and consider that they are consistent with the requirements of this standard.

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

b) Turnover

Turnover for the year consists of royalties, Congress-related payments, Internet revenues and publication sales.

c) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange rate differences are dealt with in the profit and loss account.

d) Expenditure

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. Overheads have been allocated on a percentage basis, taking into account the operational and administrative costs of running the subsidiary and the human resource commitment.

WEC SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

3. OPERATING PROFIT

	2004	<i>2003</i>
	£000	<i>£000</i>
The operating profit is stated after charging:		
Staff costs: see Note 4 below	29	<i>17</i>
Auditors remuneration – audit	6	<i>2</i>
Exchange rate differences	-	<i>1</i>
	<u>29</u>	<i><u>17</u></i>

For 2004, the main sources of income for WEC Services Limited were royalty payments and fees from the Sydney Congress; royalties from FIRST Magazine for a series of advertising-based Global Energy reports; and revenues from the sale of WEC publications.

The main expenditure of the Company for 2004 were for Congress-related expenses (printing, shipping, exhibition stand); the preparation of the Survey of Energy Resources; and staff costs.

4. STAFF COSTS

Wages and salaries	28	<i>16</i>
Social security costs	1	<i>1</i>
	<u>29</u>	<i><u>17</u></i>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

By deed of covenant, the Company makes a gift aid payment comprising its total taxable profit to its parent Charity. Consequently, no tax liability will arise.

6. DEBTORS

Amounts falling due within one year:		
Other debtors	1	<i>-</i>
Prepayments and accrued income	11	<i>30</i>
	<u>12</u>	<i><u>30</u></i>

WEC SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2004

7. CREDITORS

	2004	<i>2003</i>
	£000	<i>£000</i>
Other creditors including taxation & social security	16	<i>7</i>
Accruals	7	<i>2</i>
Amount due to parent undertaking	430	<i>32</i>
	453	<i>41</i>

8. SHARE CAPITAL

WEC Services Limited is a Company limited by guarantee, and therefore there are no shares in issue. If upon the winding-up or dissolution of the Company, there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same is not paid to or distributed among the members of the Company, but is given or transferred to the Charity.

9. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The financial statements do not include a cash flow statement because the Company is a wholly-owned subsidiary and the conditions of Financial Reporting Standard No.1 exempting inclusion are satisfied. The Company is also exempt under the terms of Financial Reporting Standard No.8 from disclosing related party transactions with entities that are part of the World Energy Council or Investors of the World Energy Council.

10. ULTIMATE PARENT UNDERTAKING

The ultimate and immediate parent undertaking is the World Energy Council, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the World Energy Council consolidated financial statements may be obtained from its registered office at Regency House, 1 – 4 Warwick Street, London, W1B 5LT.