

Company Number: 4184478
Charity Number: 1086559

WORLD ENERGY COUNCIL
(A Company Limited By Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

WORLD ENERGY COUNCIL
YEAR ENDED 31 DECEMBER 2007

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**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2007**

LEGAL AND ADMINISTRATIVE INFORMATION

TRUSTEES

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

NAME

Al-Moneef, Majid	(term ended 30 November 2007)
Barnés, Francisco	
Bundgaard-Jensen, Asger	*
Caillé, André	* + # ± ^ (term ended 30 November 2007)
Drouin, Richard	(appointed 1 December 2007)
Fall, Alioune	* (term ended 30 November 2007)
Gadonneix, Pierre	* + # ± ^
García, Elías Velasco	*
Jain, C.P.	* + # ±
Kim, Younghoon David	
de Franco Medeiros, Norberto	*
M'Mukindia, Mary	* + # ± (appointed 1 December 2007)
Nadeau, Marie-José	* ^
Sambo, Abubakar	(appointed 1 December 2007)
Testa Chicco	(term ended 30 November 2007)
Teysen, Johannes	
Wood, Ron	+ # ± (term ended 30 November 2007)
Zhang, Guobao	

* *Member of Finance Committee* # *Member of Programme Committee*
+ *Member of Nominations Committee* ± *Member of Studies Committee*
^ *Member of Communications & Outreach 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
Black Rock Investment Funds
Charities Aid Foundation (CAF)
CCLA Investment Management Ltd (COIF)

Schroder Unit Trusts Limited
The HSBC Charity Common Investment Fund
The HSBC Money Market Fund

**WORLD ENERGY COUNCIL
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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 2007 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 of the World Energy Council 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 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 a Memorandum and Articles of Association, which were adopted on 21 March, 2001.

The Charity is comprised of autonomous Member Committees in 95 countries. Each Member Committee is entitled to be represented in the Executive Assembly, which is the ultimate governing authority for the Charity. The Executive Assembly meets 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 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: Communications and Outreach, Programmes and Studies. The chairs of these Standing Committees 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 them: Nominations, which nominates new Trustees for the approval of the EA; and Finance, which oversees the financial affairs of WEC and WSL. The Trustees usually meet at least two 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 under UK law 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 responsibilities.

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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 to be 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 2007, WSL made an operating profit of £392,000 (2006: £682).

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.

- 2007 was the final year of the publishing partnership with Petroleum Economist; the agreement with PE called for it to produce a series of advertising-based reports in the two years prior to the Rome Congress, and a similar report for the Congress itself. This report, the "Global Energy Book", was produced and distributed to every delegate at the Rome Congress. The value of the contract was £80,000+ over its three-year period, with WSL receiving a portion of the advertising revenues.
- Although a portion of WSL revenues in past years came from the sales of WEC publications, the Communications and Outreach Committee decided in late 2006 to make all WEC publications available free of charge in electronic format not only to WEC members but also to the public. Although this meant that WSL lost a revenue stream, the Communications and Outreach Committee felt this loss would be more than offset by the greater visibility WEC might gain through free distribution of its publications. A few publications were sold early in 2007 to draw down the rest of the inventory. The total value of publication sales for the year was therefore £2,000 (2006: £8,908).
- The 2007 *Survey of Energy Resources* was completed in 2007, in time for distribution at the Rome Congress. The *Survey* was published electronically on WEC's website and was distributed to all Rome Congress delegates in DVD format. The *Survey* is one of WEC's most recognizable and widely distributed reports, and the Communications and Outreach Committee is now considering how its value and usefulness can be further enhanced.

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

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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.

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 each Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware. Each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself/herself 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. Since Patron funds are used solely to support the WEC work programme, failure to bring in adequate Patron revenues could eventually have a very serious negative impact on the Charity's activities.

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RISK MANAGEMENT (CONTINUED)

The third major risk to the Charity is the failure of the Congress organisers to pay the contractually guaranteed amount, the overall financial failure of the Congress, or a Congress which is considered to have failed programmatically, which could potentially damage WEC's reputation. WEC depends on the money from the Congress to fund its work over the following three years, and should this money fail to materialise, it could mean a curtailment of some parts of the work programme.

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.

The main risk in 2007 was the number of US dollar assets in the Foundation and WSL, since the Rome Congress payments and the WEC Patron payments are made in dollars. To date, these funds have been kept in US dollars and used to pay the invoices WEC and WSL receive in US dollars. However, the Finance Committee is continuing to explore options for maximising the return on these US dollar assets.

The Trustees are satisfied 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.

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 within and outside the energy sector with mutually 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 a 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 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 final year of each work cycle (Business Plan) is the culmination of the work of the previous two years and is the time when reports and studies are finalised, published and launched. The programme of the upcoming World Energy Congress is the focus of much work during the year, with the speakers, session topics and special events being finalised, and arrangements made for highlighting WEC's work. The 20th World Energy Congress took place in Rome in November 2007, and the global studies and technical and regional reports from WEC's 2005-2007 work programme were presented in special WEC sessions.

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OBJECTS AND PRINCIPAL ACTIVITIES OF THE CHARITY (CONTINUED)

Another focus of the third year of the work cycle is preparation of the Business Plan for the following cycle. Over the course of 2007, WEC developed its Business Plan for the 2008-2010 work cycle, building on the successful outcomes of the 2005-2007 cycle. Incoming WEC Chair Pierre Gadonneix presented a vision statement which shaped the general outlines of the Business Plan, WEC members were consulted about what particular work WEC should carry out in the next cycle, and the Secretary General, officers and senior staff then developed a new Business Plan to incorporate these ideas. The 2008-2010 Business Plan was approved at the Rome Executive Assembly.

The Charity's achievements for 2007 against the Business Plan goals are discussed under "Achievements and Performance".

ACHIEVEMENTS AND PERFORMANCE

Membership and Subscriptions

At the core of WEC are its 95 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. Therefore, it is vitally important for WEC to ensure that its Member Committee base is strong and solid. To help achieve this, WEC senior staff, regional coordinators and officers visit each Member Committee at least once every three years to assess their viability and level of activity, discuss any problems or concerns and present WEC's current work. In 2007, 40 visits were made to WEC Member Committees. WEC London also carries out a "WEC Champion" programme, where the senior staff and the regional coordinators are each assigned to be the "client service manager" for one or more of WEC's Category 6-7 Committees to enhance the relationship with and support for these Committees.

Although Venezuela withdrew from membership in 2007, three new Member Committees joined: Norway, Tajikistan and Colombia, and WEC's membership base continues to be solid and strong.

Patron Programme

WEC Chair André Caillé continued to work on attracting new Patrons in 2007. WEC Patrons are companies or organisations which are already members of a WEC Member Committee and which agree to contribute \$300,000 US over a three-year period to support WEC's work. The Patron income goes directly into the WEC Foundation. In 2007, WEC had eleven new or continuing Patrons, with three of these providing staff as secondments to WEC. While the 2007 Patron programme did not meet its ambitious revenue target of £500,000 (\$1,000,000 US), this was due in part to the poor US dollar exchange rate when the income was booked. WEC subscriptions bring in about £1,300,000 of an overall budget of £2,000,000, and it is primarily the Patrons programme revenue which makes up the difference, so the continuing effectiveness of the Patrons programme is critical to WEC's future. Mr. Caillé and the Secretary General, along with incoming WEC Chair Pierre Gadonneix, will continue to seek new WEC Patrons for 2008-2010.

Project Income and Gifts in Kind

Project income consists of (1) payments from the Congress organisers for the preparation of the Survey of Energy Resources and (2) revenues from the Centres of Excellence for Sustainable Energy (CESEs). The 2007 Project Income was below target; while the Rome Congress organisers paid the full amount of \$50,000 US (about £25,000), the additional CESEs which were expected to be established in Asia and Africa failed to materialise.

Gifts in kind consist of the staff secondments provided by certain WEC Patrons in lieu of cash contributions. In 2007, secondments were provided by Tepco (Japan), VNG (Germany) and Daesung (Korea) for the full year, and these secondments was booked at \$100,000 each, the "cash value" of one year of Patronage. The booked revenue matches the booked expenditure.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Royalties, Publication Sales, Internet Revenues and Other Income

WEC's trading subsidiary, WEC Services Limited, carries out non-charitable trading activities on behalf of the Charity. In 2007, the main WSL revenue came from the publishing partnership contract with Petroleum Economist; a commission payment from Elsevier for sales of the 2004 Survey of Energy Resources, payments from the Rome Congress organisers; and a few publication sales early in the year. These are described in greater detail in Note 14 of these accounts and in the separate financial statements of WSL.

Subscription Costs

The main subscription costs are those associated with recruitment and retention of Member Committees, mainly allocations of the cost of staff to prepare and process subscription payments and member services as well as direct costs associated with the Member Committee Visit programme.

Charitable Activities

Work Programme

WEC's main charitable activities are carried out under the triennial work programme, and the goals and objectives of its charitable activities are outlined in the triennial Business Plan. The goals and objectives of the 2005-2007 work programme are listed below, with the particular achievements for 2007 described under each main goal or objective.

I. Rationalising and publicising studies and programmes

The Charity's 2005-2007 Business Plan set out three global studies (Scenarios, Energy and Climate Change, Survey of Energy Resources) and six technical programmes (Energy Efficiency, Cleaner Fossil Fuels, Performance of Power Plant, Grid Reliability, Financing for Renewables and Centres of Excellence for Sustainable Energy) for WEC to undertake during the 2005-2007 work cycle. All three global studies were completed. By and large, the technical programmes achieved their respective work goals for 2005-2007 and presented a report on that work at or before the Rome Congress. However, Financing Renewables was unable to prepare the anticipated full report due to lack of material from the members, but a brief report on the survey of financial institutions was produced in 2007. For the CESEs, while a Centre of Excellence is up and running successfully in Manila, the expected additional Centres in Asia and Africa failed to materialise. There is, however, a strong indication that CESEs will be launched in India and Egypt in 2008 or 2009.

A major goal in 2007 was to raise WEC's profile and publicise its work among the international media. A series of five media roundtables and launches was therefore held during the year to help achieve this goal. Each roundtable attracted between 15-35 media representatives representing some of the most important local, national and international media outlets. A roundtable in January launched the WEC European regional study on "The Role of Nuclear Power in Europe"; in March, the focus was WEC's signature project to revitalise the Grand Inga hydropower plants in Congo (Dem. Rep.); in June, the WEC report on "Energy and Climate Change" was presented; and the 2007 Survey of Energy Resources was launched in September. A special roundtable to focus on WEC's Transport study (an outgrowth of the Scenarios study) was held in Rio de Janeiro in October. The result of these roundtables was a significant increase in the number of mentions of WEC in the media, along with invitations to contribute Op Ed pieces and to be interviewed for radio, television and print media.

The other major event which helped rationalise and publicise WEC's work was the Rome Congress, where the main study from the 2005-2007 work cycle, Energy Policy Scenarios to 2050, was the focus of a Roundtable, a press conference and a special WEC session. Other studies and technical and regional reports were also presented in special WEC sessions; these included Cleaner Fossil Fuels, Energy and Climate Change, Energy Efficiency, Performance of Power Plant, Market Integrity, and WEC regional presentations.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

I. Rationalising and publicising studies and programmes (continued)

Finally, to further publicise and rationalise the reports and studies from the 2005-2007 work cycle, all reports and studies are now available free of charge via the WEC website. The goal is to give additional exposure to WEC's work by making it freely available and by bringing more visitors to the WEC website. This has been very successful so far; the number of visits to the website has increased from around 306,000 a month to 554,000 a month over the course of 2007.

II. 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 2006 outcomes of each region's action plan were carefully reviewed and evaluated, and some plans were adjusted or enhanced for 2007.

In **Africa**, the 2007 Action Plan called for a series of regional forums, workshops and meetings to gather information, discuss regional issues and concerns and reinforce the importance of WEC's work in Africa. The Plan also called for the organisation of an International WEC Forum on the Inga Hydropower Project and an African Regional Initiative on Carbon Capture and Storage, in cooperation with the WEC CFFS Committee. These objectives were successfully met, with a Regional Forum on Energy Efficiency and an African regional meeting in Abuja, Nigeria, in January; a workshop on Performance of Power Plant and regional meeting in Windhoek in September; a well attended and very productive WEC International Forum on the Inga Hydropower Project in Gaborone, Botswana, in March; and the approval of a National Centre of Excellence for Energy Efficiency and Conservation by the Nigerian government as a result of the Energy Efficiency Forum in Abuja.

Asia's Regional Action Plan also called for a series of regional meetings, forums and workshops to be held in 2007 to carry out research, facilitate the discussion of issues and concerns in the region and share information and data. The Plan also set the objectives of completion of the Asia Pacific Cross Border Project, continuation of the Centre for Excellence in Manila and a regional initiative on public-private partnerships (PPP). Regional forums and meetings were held in Seoul, Korea, in early May; in Ulaanbaatar, Mongolia, in late May and in Jeju, Korea, in September. The second phase of the Asia Pacific Cross Border Project was completed as planned, with an agreement to hold a further workshop for Phase 3 in China in 2008 to examine the viability of the IGCC project as a CDM project. The Centre of Excellence for Sustainable Energy in Manila continued to function successfully, specifically by holding seminars and workshops; and the project on Private Public Partnership Initiative (PPP) collected and summarised best practices of PPP projects from six WEC Member Committees and presented this information at the Rome Congress.

Europe carried out an active regional programme in 2007 and achieved its goals as set out in the 2005-2007 Europe Regional Action Plan. In April, WEC European members held their annual meeting with representatives of the European Commission in Brussels to discuss topics of mutual interest and brief the Energy Commissioner on WEC's work. A three-year study on Energy Security in Europe covering countries' vulnerability to energy supply disruptions and the ensuing economic implications and identifying the best ways to mitigate related risks and consequences was also due to be completed at the end of 2007, and the study on nuclear, which was finished earlier in the work cycle, was the focus of workshops and discussion during 2007. WEC Europe members also focused on specific sub-regional issues, such as urban energy system optimisation, through the South-East European Task Force on Regional Energy Cooperation. Members also participated in making a substantial contribution for the European region to WEC's Scenarios study. Finally, WEC Europe continued to seek to establish a regular, high level Europe-Russia dialogue on cooperation in energy.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

In the **Latin America/Caribbean** region, a series of forums, seminars and workshops was also undertaken for 2007. A special workshop was held in October in Rio de Janeiro on "Transport Technologies – Energy Policy Scenarios to 2050", and in April, 100 participants took part in a Performance of Generating Plant workshop. A regional study on the "Benefits of Regional Energy Integration in Latin America" was due to be completed in 2007, with the results to be presented at the Rome Congress. However, at the end of the year, the study had not yet been finalised, although it was nearing completion and will likely be published in the first quarter of 2008.

In **North America**, the main activity in 2007 centred on completing the three regional studies outlined in the 2005-2007 Regional Action Plan. The US Member Committee prepared an analysis of regional energy trade, focusing on trade patterns in electricity and natural gas; Canada took the lead on preparing a report on energy diversification, focusing on all current and potential future energy options; and Mexico prepared a report on energy efficiency which covered both generation and consumption technologies. A North America regional forum and regional meeting was held in Halifax, Nova Scotia, in June.

III. Enhance communications and outreach

After the hiring of a new Communications Director at the end of 2006, and the positioning of a Communication Team within the London office, the communications and outreach efforts of the Charity were expanded, enhanced and professionalised.

The updating, redesign and re-launch of the WEC website to make it more modern, user-friendly and streamlined was completed in mid-2007, with the number of visits increasing by nearly 50% a month. The Communications Director also launched a series of media roundtables designed to heighten WEC's visibility in the international media. Five such roundtables were held during the year, with the result being a significant increase in the number of media mentions of WEC. In addition, media coverage at the Rome Congress was significantly higher than for previous Congresses (1,334 Congress-related articles in 2007 compared to 133 for Houston in 1998, 273 for Buenos Aires in 2001 and 555 for Sydney in 2004). An outside media consultant was also hired to help write articles, press releases and executive summaries of WEC publications to ensure more professional, "media-savvy" communications.

A partnership agreement between WEC and the Financial Times provided free advertising on the FT website and in the Financial Times newspaper for the Rome Congress and also brought over 100,000 additional "hits" to the website via a link from the FT website.

A regularised Communications Plan and Calendar was also put in place to guide the activities of the Communications Department and to capitalise on the communications and outreach activities offered by WEC activities and meetings and other energy-related events during the year.

Also undertaken in 2007 was the further development of the website to provide value-added services to members, with the goal of developing such projects as a CV database in collaboration with various universities and a "yellow pages" for the energy industry. WEC is also exploring a joint partnership with the Financial Times to co-host a Global Energy Leaders Conference, which would bring together key top-level players from the energy industry each year to discuss emerging energy issues; preliminary discussions on the conference agreement were begun in 2007. Also, to build on the excellent and enthusiastic outcome of the Rome Congress Youth Programme, the Communications Department is exploring the establishment of an ongoing "Future Energy Leaders Community", with the goals of developing a strong global network of young experts, developing and implementing a work programme linked to WEC's mission, supporting WEC in regional and global activities, encouraging relationships with universities, developing educational programmes as well as internship opportunities and organising the Youth Programmes at future WEC Congresses. Planning for this initiative began in late 2007 and will continue into 2008. Finally, the Communications Department is

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III. Enhance communications and outreach (continued)

working to establish a WEC School of Journalism in the Middle East which would aim to educate press and media about energy issues as well as about the work WEC carries out. A preliminary outline for the School was developed in 2007, and funding was being sought to implement the programme in 2008.

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

In 2007, WEC lost one member, Venezuela, but gained three: Norway, Tajikistan and Colombia, thus bringing the total membership to 95 Committees. Efforts continue to recruit new members in Central Asia and to bring back former members in Eastern Europe, Asia and Latin America.

WEC members seem to value what they gain from WEC, but to make the benefits of membership clearer, an initiative to develop a "WEC Value Proposition" began in 2007 and will be completed in early 2008. The main goal of this initiative is to develop a series of hard copy and web-based materials for WEC Member Committees to use in recruiting and retaining members. In addition to the value proposition initiative, SecretaryNet, the special, private section of the website aimed specifically at Member Committee Secretaries, was revamped in 2007. In addition, plans were also approved in 2007 to implement an orientation for new Member Committee Secretaries; this will be developed in 2008. 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 2007.

II. Balance the WEC budget

The third year of each three-year cycle is challenging financially, because it is the year when the activities, publications and outcomes of the three-year work programme are fulfilled and significant expenses surrounding the editing, preparation and launching of the outcomes are incurred. Most of the funds from the previous Congress have been drawn down, and the revenue from the current Congress does not start to come in until the end of the year. However, with judicious use of the available resources, the support of the Patrons programme and wise investments, 2007 was a sound year from a financial standpoint.

Membership subscriptions brought in approximately £1,300,000 of WEC's £2,000,000 budget. Revenues associated with the WEC Patrons programme – although lower than anticipated in 2007 -- helped to make up the difference, along with the WSL contract with Petroleum Economist and, in October, the main payment from the Rome Congress organisers.

It will continue to be vital to the financial health of the Charity and to help balance the budget to ensure WEC Congresses are successful and bring in the contractually agreed revenues, that new revenue streams are developed for WEC Services, that new WEC Patrons are brought in and that the Charity has a sound, well-structured contingency plan for managing any revenue shortfalls.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Statement of Financial Activities (SoFA) on page 15 shows the following results for the year.

Income Generation

Income generation during the year was £2,485,000 (2006: £2,317,000). The primary sources of income were membership subscriptions, the WEC Patrons programme and the payments by the Rome Congress organisers. This total is a significant achievement, and the Charity thanks all its Member Committees and supporters, including the 2007 WEC Patrons, for helping to achieve this income level.

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YEAR ENDED 31 DECEMBER 2007**

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (Continued)

Subscription income was £1,246,000 (2006: £1,192,000) for the year. A healthy recovery of arrears was also made. The Patrons contributed £404,000 (2006: £689,000), which was added to the designated fund, the WEC Foundation.

To meet the cashflow needs of the Charity, a substantial portion of the income from the Rome Congress payments was transferred from WEC Services to the Charity in November. The remainder of the net profit of £392,000 will be transferred from WEC Services Limited to WEC Charity under the Gift Aid provision during 2008.

Resources Expended and Services

Total resources expended by WEC and WSL in 2007 amounted to £2,444,000 (2006: £2,524,000). This included expenditures of £1,540,000 (2006: £1,565,000) 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 yield or income targets.

The Charity and the Foundation have separate investment policies which are reviewed annually. The policies both 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 and, by policy, may not be invested in equity funds.

WEC Services Ltd. did not hold any investments in 2007.

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 - income from dividends and interest

However, due to Patron revenues coming in in US dollars, the WEC Foundation holds a considerable amount of its assets in this currency. During most of 2007, these funds were invested in secure US dollar Treasuries to maximise the return insofar as possible. In November, 2007, the Foundation Trustees approved a revision to the Foundation investment policy to allow for up to 75% of the Trust's *non-sterling-based* capital monies to be invested in funds which are not part of the Charity Commission-approved list, since there is no specific requirement for charities to invest in Charity Commission-approved funds. The revision to the investment policy also stated that for the non-sterling-based investments, a professional fund advisor/manager would be hired to advise the

WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2007

Investment Policy and Returns (continued)

Trustees on appropriate investment vehicles which meet the Foundation's investment objectives. Following approval of these revisions to the Foundation investment policy, the Trustees authorised investing a substantial portion of the US dollars in a conservative, low risk "liquidity" fund through HSBC. This fund allows for daily access to funds and provides a slightly higher rate of return than Treasuries. The investment in this fund will be made in 2008.

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 secure institutions, such as Common Deposit and Investment Funds approved by the Charity Commission.

In 2007, the market was somewhat more uncertain than in previous years, but the Charity still managed to exceed its budgeted revenue target for investment income, achieving total interest income of £54,000 and £16,000 in dividends from the Charity's investments.

In order to meet the reserves policy and THE cash needs (in sterling) to finance the work programme in 2007, the following equity fund shares were sold, and the funds transferred to the Charity:

£67,400	Allianz Dresdner/RCM UK Equity Fund
£52,000	Schroder Charity Equity Fund

In 2007, the Trustees authorised a total transfer of £441,000 to the Charity from the designated Foundation fund for work programme expenditure.

The Foundation's assets grew to £1,551,000. At 31 December 2007, the group investments, excluding cash deposits, were valued at £365,000 (2006: £487,000).

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 or designated for particular purposes. For 2007, free reserves of £127,000 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 2007, the level of reserves required according to the stated policy was £414,000. 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 programme.

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 Patrons programme targets, a significant downturn in the market, and failure of the Congress organisers to pay the contracted amount to the Charity.

**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2007**

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, by stated policy, 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 concluded at the end of 2007, and the benefits from the doubled size of the current work programme, as well as WEC's commitment to enhancing its communications and outreach effort and increasing its visibility, are paying off. The 2008-2010 Business Plan, which was approved by the Executive Assembly in November 2007, includes a similarly expanded work programme, which WEC members heartily endorsed. The 2007 Rome Congress attracted over 4,000 delegates, and the programme of speakers was judged outstanding by those who attended. The Rome Congress was also a financial success for the organisers, who were able to honour the contractually agreed payments for the use of WEC's brand name and the preparation of the 2007 *Survey of Energy Resources*.

Although the membership has remained stable for the last nine 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-term future, WEC must focus on ensuring the continued success of its Patrons programme and developing new revenue streams for both the Charity and for its trading subsidiary, supporting and strengthening its members, seeking beneficial partnerships with other organisations and finding more ways to strengthen its image as the voice of the energy industry.

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 Rome 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 was approved by the Board at the Annual General Meeting in November, 2007.

Approved by the Board on 16 May, 2008, and signed on behalf of the Board by:

Pierre Gadonneix
Chair
World Energy Council

Asger Bundgaard-Jensen
Chair
Finance Committee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLD ENERGY COUNCIL

We have audited the financial statements of World Energy Council for the year ended 31 December 2007 which comprise the Consolidated Statement of Financial Activities, the Charity and Consolidated Balance Sheets and related notes set out on pages 17 to 25. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 17 to 19.

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 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.

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 2007 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 2007

	Notes	Restricted £'000	Unrestricted £'000	Group Total 2007 £'000	Group Total 2006 £'000
INCOMING RESOURCES					
Income from activities in furtherance of the Charity's objects					
--Subscription fees		-	1,246	1,246	1,192
--Patron income		-	404	404	689
--Project income		58	-	58	127
--Gifts in kind		-	152	152	215
Activities for generating funds					
--Royalties, publication sales, internet revenues		-	49	49	27
--Other income		-	35	35	13
Interest		-	54	54	24
Dividends		-	16	16	28
Foreign Exchange gain		-	-	-	2
Congress Income		-	471	471	-
Total incoming resources	2d	58	2,427	2,485	2,317
RESOURCES EXPENDED					
Charitable Activities					
--Subscription costs		-	631	631	729
--Work programme		50	1,490	1,540	1,565
--Congress expenditure		-	105	105	-
--Gifts in kind		-	152	152	215
Governance costs		-	16	16	15
Total resources expended	3	50	2,394	2,444	2,524
Net incoming/(outgoing) resources before transfers					
		8	33	41	(207)
Transfer between funds	12	(3)	3	-	-
Net incoming/(outgoing) resources		5	36	41	(207)
Other recognised gains and losses					
Gains/(Losses) on investments					
Realised (loss)/gain		-	(4)	(4)	29
Net income/(expenditure) for the year		5	32	37	(178)
Unrealised investment gains		-	1	1	45
Net movement in funds		5	33	38	(133)
Accumulated fund balances brought forward		32	1,700	1,732	1,865
Accumulated Fund balances carried forward		37	1,733	1,770	1,732

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

The notes on pages 17 to 25 form part of these financial statements.

WORLD ENERGY COUNCIL
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2007

	Notes	Group 2007 £'000	Charity 2007 £'000	<i>Group 2006 £'000</i>	<i>Charity 2006 £'000</i>
FIXED ASSETS					
Tangible assets	7	55	55	65	65
Investments	8	365	365	487	487
		420	420	552	552
CURRENT ASSETS					
Debtors	9	365	380	395	405
Short term deposits		1,012	1,012	872	872
Cash at bank and in hand		526	441	329	313
		1,903	1,833	1,596	1,590
CREDITORS: amounts falling due within one year	10	553	483	416	410
NET CURRENT ASSETS		1,350	1,350	1,180	1,180
TOTAL ASSETS		1,770	1,770	1,732	1,732
FUNDS					
Restricted	12 & 13	37	37	32	32
Unrestricted					
Designated Fund – WEC Foundation		1,551	1,551	1,547	1,547
Other		182	182	153	153
		1,770	1,770	1,732	1,732

These financial statements were approved by the Trustees on 16 May 2008 and signed on their behalf:

Pierre Gadonneix
Chair
World Energy Council

Asger Bundgaard-Jensen
Chair
Finance Committee

The notes on pages 17 to 25 form part of these financial statements.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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

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
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.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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 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
FOR THE YEAR ENDED 31 DECEMBER 2007

3. RESOURCES EXPENDED

	Unrestricted Fund £'000	Restricted Funds £'000	2007 Total £000	<i>2006 Total £'000</i>
<i>Subscription costs</i>				
Staff costs	279	-	279	322
Bad debts	73	-	73	73
Travel and entertainment	140	-	140	122
Bank charges and interest	4	-	4	4
Exchange loss	12	-	12	99
Support costs	123	-	123	109
	<u>631</u>	<u>-</u>	<u>631</u>	<u>729</u>
<i>Work programme</i>				
<u>Project</u>				
CESE	-	25	25	87
SER	-	25	25	28
<u>Studies</u>				
Staff costs	130	-	130	106
General expenses	40	-	40	39
Scenarios	263	-	263	322
Energy & Climate Change	16	-	16	23
Support costs	37	-	37	44
<u>Programmes</u>				
General expenses	9	-	9	7
<u>Technical programme</u>				
Staff costs	77	-	77	78
PGP	16	-	16	63
CFFS	10	-	10	11
EnEff	2	-	2	15
Grid Reliability	13	-	13	9
Financing Renewables	2	-	2	1
GHG database	12	-	12	-
Support costs	28	-	28	44
<u>Regional programme</u>				
Staff costs	28	-	28	29
General expenses	14	-	14	21
Africa	56	-	56	49
Asia	38	-	38	37
Europe	24	-	24	57
Gulf States	3	-	3	-
LAC	50	-	50	91
North America	38	-	38	4
Support costs	28	-	28	44
<u>Communications & Outreach</u>				
Staff costs	251	-	251	119
General expenses	34	-	34	25
IT/GEIS	13	-	13	25
Printing, design, translation	11	-	11	12
External relations	6	-	6	1
Travel	48	-	48	13
Flagship publication	-	-	-	50
Marketing	118	-	118	-
Support costs	75	-	75	-
	<u>1,490</u>	<u>50</u>	<u>1,540</u>	<u>1,565</u>

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

3. RESOURCES EXPENDED	Unrestricted Fund £000	Restricted Funds £'000	2007 Total £000	<i>2006 Total £'000</i>
Congress				
Congress expenditure	26	-	26	-
Congress bad debt	79	-	79	-
	<u>105</u>	<u>-</u>	<u>105</u>	<u>-</u>
Gift in kind	<u>152</u>	<u>-</u>	<u>152</u>	<u>215</u>
Governance costs				
Audit	14	-	14	13
Trustee meetings	2	-	2	2
	<u>16</u>	<u>-</u>	<u>16</u>	<u>15</u>
RESOURCES EXPENDED	<u>2,394</u>	<u>50</u>	<u>2,444</u>	<u><i>2,524</i></u>

4. SUPPORT COSTS	Unrestricted Fund £'000	Restricted Funds £'000	2007 Total £'000	<i>2006 Total £'000</i>
Support costs				
Accommodation costs	129	-	129	131
Office services	78	-	78	83
Accountancy	43	-	43	45
Legal and professional	19	-	19	68
Depreciation	21	-	21	19
Other	1	-	1	6
	<u>291</u>	<u>-</u>	<u>291</u>	<u>352</u>

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

5. STAFF COSTS	2007 £'000	<i>2006 £'000</i>
Wages and salaries	676	581
Social security costs	45	37
Pension cost	-	1
Other staff costs	<u>44</u>	<u>35</u>
	<u>765</u>	<u>654</u>

During the year, one (2006: nil) employee received emoluments between £90,000 - £100,000. One 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 £200,000 - £210,000.

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 9 (2006: 7).

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

6. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees neither received nor waived any emoluments during the year (2006: £nil). During the year, £8,221 (2006: £877) was reimbursed to one Trustee for travel expenses (2006: two Trustees).

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 2007	146	82	193	421
Additions	-	11	-	11
At 31 December 2007	146	93	193	432
Accumulated depreciation				
At 1 January 2007	90	73	193	353
Charge for period	15	6	-	21
At 31 December 2007	105	79	193	377
Net Book Values				
At 31 December 2007	41	14	-	55
<i>At 31 December 2006</i>	<i>56</i>	<i>9</i>	<i>-</i>	<i>65</i>

8. FIXED ASSET INVESTMENTS

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

	2007 £'000	<i>2006</i> £'000
Market values		
Market value at 1 January 2007	487	<i>903</i>
Disposals at open market value	(123)	<i>(461)</i>
Unrealised gain on investments	1	<i>45</i>
Market value at 31 December 2007	365	<i>487</i>
Historical cost at 31 December 2007	226	<i>303</i>

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

	2007 £'000	<i>2006</i> £'000
Fixed interest securities	34	<i>34</i>
Equity shares	331	<i>453</i>
	365	<i>487</i>

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

8. FIXED ASSET INVESTMENTS (CONTINUED)

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

Units held	2007	<i>2006</i>
	£'000	<i>£'000</i>
18,601 CAF Balanced Growth	29	<i>32</i>
19,666 HSBC	21	<i>21</i>
9,653 COIF	113	<i>111</i>
32,744 Schrodgers	87	<i>142</i>
4,601 Dresdner RCM Chariguard	98	<i>164</i>
	<u> </u>	<i><u> </u></i>

9. DEBTORS

	Group	Charity	<i>Group</i>	<i>Charity</i>
	2007	2007	<i>2006</i>	<i>2006</i>
	£'000	£'000	<i>£'000</i>	<i>£'000</i>
Trade debtors	152	152	<i>214</i>	<i>214</i>
Amount due from subsidiary company	-	40	<i>-</i>	<i>37</i>
Other debtors	-	-	<i>1</i>	<i>-</i>
Prepayments	52	52	<i>36</i>	<i>36</i>
Accrued income	161	136	<i>144</i>	<i>118</i>
	<u>365</u>	<u>380</u>	<i><u>395</u></i>	<i><u>405</u></i>
	Group	Charity	<i>Group</i>	<i>Charity</i>
	2007	2007	<i>2006</i>	<i>2006</i>
	£'000	£'000	<i>£'000</i>	<i>£'000</i>

10. CREDITORS: amounts falling due within one year

Trade creditors	228	227	<i>167</i>	<i>167</i>
Taxation and social security costs	88	22	<i>15</i>	<i>13</i>
Accruals	165	162	<i>190</i>	<i>187</i>
Deferred income	58	58	<i>21</i>	<i>21</i>
Other	14	14	<i>23</i>	<i>22</i>
	<u>553</u>	<u>483</u>	<i><u>416</u></i>	<i><u>410</u></i>

Deferred income reconciliation:	2007	<i>2006</i>
	£'000	<i>£'000</i>
Balance brought forward	21	<i>41</i>
Received in year	58	<i>21</i>
Utilised in year	(21)	<i>(41)</i>
Balance carried forward	<u>58</u>	<i><u>21</u></i>

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007 £'000	<i>Group 2006 £'000</i>
Land and buildings: Expiring between 2 and 5 years	<u>76</u>	<u>89</u>
Fixtures and fittings Expiring between 2 and 5 years	<u>15</u>	<u>15</u>

12. STATEMENT OF FUNDS

	<i>1 January 2007 £'000</i>	Income £'000	Expenditure £'000	Investment Gains £'000	Transfers £'000	31 December 2007 £'000
General reserve	153	1,962	(2,377)	-	444	182
Designated – Foundation Africa project (restricted)	1,547	465	(17)	(3)	(441)	1,551
Survey of Energy Resources (restricted)	3	-	-	-	(3)	-
CESE Manila (restricted)	-	25	(25)	-	-	-
	<u>29</u>	<u>33</u>	<u>(25)</u>	<u>-</u>	<u>-</u>	<u>37</u>
Total	<u>1,732</u>	<u>2,485</u>	<u>2,444</u>	<u>(3)</u>	<u>-</u>	<u>1,770</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 funding came from the Canadian International Development Agency (CIDA). When the study was completed, £3,000 remained from CIDA's contribution. It was mutually agreed with CIDA that this money would not be returned to CIDA due to Canadian funding regulations but could be used for general WEC purposes within the regional programme. Therefore, in 2007, this money was removed from the restricted fund and placed in the general fund of the Charity.

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.

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13. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	General £'000	Foundation £'000	Survey of Energy Resources £'000	CESE Manila £'000	Total £'000
Tangible fixed assets	55	-	-	-	55
Investments	-	365	-	-	365
Net current assets	<u>127</u>	<u>1,186</u>	<u>-</u>	<u>37</u>	<u>1,350</u>
	<u>182</u>	<u>1,551</u>	<u>-</u>	<u>37</u>	<u>1,770</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 Congresses and generating royalties from joint projects. In addition, non-tax exempt events are also occasionally 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 2007 £'000	<i>Total 2006 £'000</i>
Turnover	560	<i>71</i>
Administrative expenditure	(169)	<i>(70)</i>
Net profit	391	<i>1</i>
Interest Receivable	1	<i>-</i>
Foreign exchange gain	-	<i>-</i>
Payment under gift aid	(392)	<i>(1)</i>
Retained profit for the year	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	110	<i>43</i>
Liabilities	(110)	<i>(43)</i>
Funds	<u>-</u>	<u>-</u>

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.