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WORLD ENERGY COUNCIL
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

**WORLD ENERGY COUNCIL
ENDED 31 DECEMBER 2016**

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**WORLD ENERGY COUNCIL
TRUSTEES' REPORT
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The Board of Trustees, who are also the Directors of the Charity, present their annual report for the year ended 31 December 2016 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year.

The financial statements comply with current statutory requirements, the Articles of Association of the Charity, FRS 102 and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (Charity SORP FRS 102).

OBJECTIVES AND ACTIVITIES OF THE CHARITY

According to the Articles of Association of the Charity, its mission is to promote the sustainable supply and use of energy for the greatest benefit of all people.

The Charity's objects include:

- a. collating data about and undertaking and promoting research into the means of supplying and using energy having, short and long term, the greatest social benefit and the least harmful impact on the natural environment and publishing or otherwise disseminating the useful results of such research;
- b. undertaking actions, including, but not limited to, the holding of congresses, workshops and seminars, to facilitate such supply and use of energy; and
- c. collaborating with other organisations in the energy sector with compatible goals.

The Charity addresses its objects through:

(1) **Flagship studies**, including:

- **World Energy Trilemma**, which looks at best practice national energy policies and how sound energy policy can help address the "trilemma" challenges of delivering social benefit (ensuring that affordable energy is accessible to all levels of society); meeting energy demand (ensuring a reliable supply of energy to facilitate economic growth); and minimising environmental impact (reducing the impact of energy production and use on the environment);
- **World Energy Scenarios**, which examines how policy and business decisions made today will impact government, business and society in the future and which encourages decision-makers to look at all available options and how these may "play out";
- **World Energy Resources**, which surveys energy resources and reserves worldwide and provides a contextual overview of the available resources, where they are located and how their use may impact the energy situation;
- **World Energy Issues Monitor**, an annual survey of global business and government leaders to determine which issues are of critical importance; these issues then form the basis of discussions at the Charity's Congresses, summits, workshops and seminars;
- **Technical studies**, which are aimed at "on the ground" issues facing the energy sector, such as energy efficiency, renewable energy integration systems, power plant performance and the development and implementation of clean technologies.

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(2) **Action agenda and events, including:**

- **World Energy Congress**, which is the seminal event of the Charity and is held every three years in a different country. The Congress aims to bring together heads of state, energy ministers, business leaders, researchers, academics, practitioners, representatives from international and inter-governmental organisations and representatives from civil society to discuss energy-related topics, develop solutions to key issues and learn about the latest developments in the industry;
- **World Energy Leaders' Summits**, which are high-level, global, by-invitation-only events for CEOs and energy ministers, usually held twice a year and conducted under Chatham House rules, with the aims of facilitating discussion and dialogue on critical energy issues and providing access to a peer network for top global energy leaders;
- **Workshops and seminars**, which focus on the Charity's studies and research and cover such topics as energy policy, regional integration, energy market design, investment in energy infrastructure, cyber risks, scenarios, energy resources, the energy-food-water nexus and energy finance. The workshops and seminars are open to all of the Council's members and are intended to gather data and input for the Charity's studies, facilitate knowledge-sharing, share expertise and best practices and provide a forum for the discussion of important energy topics;
- **Regional programme**, where each of the Charity's seven regions (Africa, Asia Pacific/South Asia, East Asia/Rest of Asia, Europe, Latin America/Caribbean, Middle East/Gulf States, North America) carries out a focused programme of activities which specifically address energy issues in the region;
- **World Energy Academy**, which is aimed at providing a broad contextual overview of the energy sector and energy issues for young energy professionals, with the course syllabus based on the Charity's studies and research and lectures delivered by energy experts from the Charity's local, regional and global network;
- **Future Energy Leaders**, which seeks to develop the next generation of energy leaders through an ongoing programme of leadership development, networking opportunities with current energy leaders and participation in the activities of the Charity, including a specially focused programme at the triennial World Energy Congress;
- **Sectoral Programmes**, which seek to focus on specific energy communities, including power generation, via the Global Electricity Initiative and oil and gas, via the Global Gas Centre.

HOW THE CHARITY'S ACTIVITIES DELIVER PUBLIC GOOD

The Trustees have had due regard for the UK Charity Commission's statutory guidance on public benefit and believe that the Council adheres to this guidance as explained below.

Energy plays a key role in the lives of everyone on the planet, from contributing to the provision of basic needs, such as sanitation, cooking, heating and lighting to supporting healthcare, education, transportation and communication.

The Council's **studies and research** benefit the public good by:

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- informing policy-makers and government officials about the importance of sound energy policy, a strong regulatory framework and the long-term thinking required for investment in energy infrastructure, which ultimately benefit the general public;
- helping to inform opinion-influencers, including the media, on critical energy issues;
- assisting governments, companies and communities to work together to help prepare for a sustainable energy future;
- raising awareness of energy issues and their impact on future generations;
- addressing social equity, that is, the importance of working to find ways to supply commercial energy to those who do not currently have it (often, the poorest people in both rural and urban areas of developing countries) as well as to those who cannot afford it (the elderly, the poor);
- raising awareness of the risks of climate change and providing advice on ways to mitigate such risks;
- educating consumers about ways to help in the effort to mitigate climate change and to use energy more efficiently.

In addition, the Council's **leadership dialogue events** bring together energy leaders to develop solutions to energy challenges, with the intended end result being a better, cleaner, more efficient world where energy supplies are secure and affordable and there is universal access to electricity.

The Council has also developed two specific programmes aimed at providing public benefit. The **Future Energy Leaders** programme seeks to develop the next generation of energy leaders, particularly in regions such as Africa, where the lack of young talent is of particular concern. The **World Energy Academy** was developed to provide public benefit by educating students, energy professionals, consumers and others with an interest in a sustainable energy future, using face-to-face and remote courses based on the Charity's studies and led by experts from its network.

VOLUNTEERS

The Charity has a global network of members comprised of business and government leaders, researchers, energy experts and academicians. These members may choose to volunteer to participate in a study group, project group or Knowledge Network to provide input and feedback on the various studies and reports prepared by the Council. The main work of research, writing and finalising the reports is done by the London office and/or its project partners, but the expert advice, data gathering, and input from members of the Council's network lends additional credibility and ensures that national and regional viewpoints are considered. The global network of members is also critical in the dissemination of Council work.

2016 ACHIEVEMENTS AND PERFORMANCE

Embracing New Frontiers: 23rd World Energy Congress

The year was dominated by the Council's triennial Congress in Istanbul between 9-13 October held under the auspices of the Presidency of the Republic of Turkey. The Congress is the Council's foremost event, and acts as a stage to promote its work and messages, highlight and catalyse discussions related to the Council's activities, and to enhance its visibility with companies, governments and global institutions concerned with energy.

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The 2016 Congress, under the theme of “Embracing New Frontiers” was the major focal point convening the range of energy communities across our global energy network from member committees and practitioners, to CEOs and Ministers. With the Congress serving as an important backdrop generating visibility and interest, much of 2016 was focused on preparing for Congress, including the development of the programme and invitation of speakers, and the preparation of studies and reports which would form the basis of much of the content.

Fourteen reports were published over the year, ranging from our annual flagships – the Trilemma Index and Report - to multiple “Perspective” reports that highlighted topical issues facing the energy sector such as our Perspective on the impacts of Unconventional Gas.

In 2016 we published our triennial update to our flagship Scenarios work, examining the range of possible outcomes facing the energy system through to 2060. These were based on the potential choices made by policy makers and markets over the next five to ten years, against a backdrop of significant change, referred to as the Grand Transition. The Grand Transition of the global energy system is driven by an increasing pace of change and scale of digitisation and technology, impacted by the need to decarbonise economies, and the need to deliver energy access to the 1.1 billion people worldwide who continue to lack access to energy. The Council’s Scenarios Report for 2016 examined Scenarios to 2060, highlighting that the Grand Transition requires a global response and careful management, building on the principles of the energy Trilemma.

The four-day Congress was attended by more than 5,500 delegates from 151 countries and achieved a high level of engagement from government representatives including four Heads of State (Turkey, Russia, Azerbaijan and Venezuela) and more than 60 government ministers from 48 countries. The programme featured 266 speakers from 78 countries across 50 sessions. They led engaging sessions that highlighted that the discussion of peak oil had moved to one of peak demand and that climate change has become an overarching issue that acts as a major driver of the energy transition. This energy transition demands that energy actors innovate or face becoming obsolete, and that inclusive global governance is vital to address energy challenges. Delegates also heard how off-grid solutions can play a key role in achieving energy access for rural communities, especially in Africa along with regional integration although regional dynamics present complexities. Other sessions advanced thought leadership and shared insights on issues across energy storage, energy efficiency, China’s trajectory and the role of reducing trade barriers in achieving sustainable energy objectives.

Community Roundtables were hosted for CEOs, Ministers, African Energy Leaders, the Global Gas Centre, and the Global Electricity Initiative. These enabled participants to share insights in a candid and informal environment. Our Future Energy Leaders Congress was also held alongside the main Congress itself. It involved 75 participants from 56 countries who discussed energy themes such as the Future of Hydrocarbons post COP 21 and Smart Innovations and Developing Energy Talents. They delivered their Future Energy Leaders’ Declaration at the Congress Closing Ceremony.

Media achieved high visibility with 42 media partners and more than 1,200 media representatives covering the Congress. 134 papers were selected and presented and 15 winners were recognised on topics based on the Council’s flagships. The trade exhibition held alongside the Congress featured 1,916 exhibitors.

In the Council’s *call to action*, we highlighted that successful energy transformation calls for worldwide political and economic collaboration at an unprecedented scale. We urged leaders and society to embrace the new realities and to strive for continued innovation whilst maintaining stable investment frameworks in order to address each country’s energy trilemma. The outcome of discussions

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highlighted the need for energy leaders to consider the energy contract and to find new ways to avoid deadlocks, enabling integrated, effective and efficient infrastructure.

Other events

The sixth Indaba Energy Leaders' Dialogue in Johannesburg, South Africa attracted more than 40 high-level participants from 22 countries, including nine energy ministers, representatives from the African Union, and CEOs from African and global energy companies. The event, which included a ministerial roundtable, and covered topics including Africa's shifting energy trilemma, the unlocking of investment in energy infrastructure, and innovative business models and the role of mobile banking solutions. The event provided an opportunity for the Council to engage with African and global energy leaders to help address issues of energy access, energy security and climate impact within the African context, and was held alongside a regional workshop for resources and the annual African regional meeting.

Taking place in Beijing in March 2016, the World Energy Leader's Dialogue (WELD) hosted over 35 global energy leaders representing the entire energy sector, to facilitate the on-going high-level dialogue on critical issues affecting the energy world with a specific focus on China. Co-hosted with the support of the Energy Research Institute (ERI) of the National Development and Reform Commission of the People's Republic of China and the China Overseas Development Association (CODA), with the endorsement of the Council's Chinese Member Committee, the Dialogue featured a discussion of China's energy outlook by 2060, exploring issues specific to the Chinese context with key industry leaders. The discussions focused on China's transition from its previous growth strategy of export orientation and energy-intensive manufacturing for three decades towards a new model of economic development- 'Xin Chang Tai' ('New Normal'). This new model builds on high-quality economic growth, as well as environmental protection and international collaboration. China is committed to meet the 2014 APEC target to reach a carbon emission peak in 2030 and to increase the share of non-fossil fuels by 20%.

An Asia Pacific Energy Leaders' Summit was held in Wellington, New Zealand in March, and was co-hosted with Business NZ, the Council's Member Committee in New Zealand. The Summit was held in conjunction with the New Zealand Member Committee's major energy conference and was honoured by keynote speeches from the Prime Minister of New Zealand and the Minister of Energy. It brought together CEOs and high level government representatives from across the region to share insights on delivering resilient energy infrastructure in the Asia-Pacific Region and on the range of challenges from increasing renewable integration to achieving higher levels of energy access. Discussions highlighted the diversity of resilience challenges, from extreme weather risks and the energy water food nexus, to the limitations of regional integration in the Asia Pacific where access and geographic characteristics of islands present particular complexities.

Programmes and Community Building

The restructuring of the Future Energy Leaders (FEL) programme in 2015 was very successful in creating a vibrant community of engaged individuals representing 62 countries and from a range of sectors and backgrounds. Over 2016 FELs held its FEL Congress and worked on how to more closely integrate its activities into the broader organisation – including the Council's global studies.

Further progress was also made with the World Energy Academy, which is aimed at providing a global overview on energy issues not only to potential future energy leaders but also to persons from other sectors, such as the public sector, engineering, law, banking, education and social work. The Council's studies and research reports are used as a basis for the Academy courses. In addition to the six Council member countries that launched their own Academy programmes in 2015, seven countries took steps

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to establish local programmes over the course of the year. Each country sets its own course syllabus to suit local conditions and its own energy system, supported by a “backbone syllabus” that was developed in 2016. This covers all forms of energy covered in our World Energy Resources study and other key reports. The Secretariat also published a practical guide for member committees that are interested in developing a programme in their own country. Significant progress was also made on the development of a web-based platform to enable member committees to procure syllabus information, identify possible speakers and experts who are able to deliver modules of the course in a local language, and to share content.

Following its establishment in early 2015, the Council’s Global Gas Centre (GGC) has made a strong start with its membership base and has twelve member companies to date, from Europe, Asia and North America. These activities include several standalone GGC events each year, as well as input to and participation in gas-relevant sessions at global World Energy Council events. The event highlight of 2016 was the Global Gas Roundtable at the 23rd World Energy Congress in Istanbul, which hosted some 30 gas leaders for an exclusive community dialogue on ‘The role of gas in the grand transition’.

2016 also saw the first instances of content interaction between the Council and the GGC, most notably via the World Energy Issues Monitor and the World Energy Resources. The aspiration is for this trend to continue and for GGC members to be systematically involved in all relevant Council content areas in the future. The overall integration process between the Council and the GGC is progressing smoothly, with alignment on governance, events and branding already in place, and further coordination on membership and content expected to follow in 2017.

The GGC is proving successful in further increasing the Council’s visibility in the oil and gas sector and ensuring that the Council is indeed “multi-energy”. The GGC has also proved helpful in strengthening the Council’s network of Member Committees: GGC member Statoil has joined the board of UK WEC and is also supporting efforts to launch a Member Committee in Norway.

The Council progressed its efforts to develop its presence in China, and welcomed a secondment from the Energy Research Institute. This enabled the London office staff to deepen their knowledge of the energy system in China, to incorporate high quality data into the modelling process for our Scenarios study and to exchange learnings about study methodology. These led to a strong involvement from Chinese representatives at the 2016 Congress, the first ever Issues Monitor Chinese ‘deep dive’ and significant progress towards being able to carry out a Trilemma study at the Chinese provincial level.

Specific objectives and the Charity’s success in meeting these is provided later in this report.

MEMBERSHIP AND SUBSCRIPTIONS

At the core of the Charity are its national member committees. These Committees pay an annual subscription fee to belong to the Council, with subscriptions comprising roughly 40% of the Charity’s total revenues. The constituent members of each national member committee participate in the Council’s activities and contribute their time and expertise to its work.

A Member Services team at the London headquarters is charged with ensuring that the member base is strong and growing, that member committees are financially stable and that they are active and engaged locally and regionally as well as with the Council’s global network. The Member Services team consists of two full-time staff members who are supported by a team of six Regional Managers. The Regional Vice-Chairs, who serve as Trustees of the Charity, also provide support.

In 2016, in view of the global financial conditions, the early payment discount available to members was extended to support member committees, enabling them to stagger subscriptions payments.

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At the end of 2016, the Council had 96 member committees from developed, developing and transitional nations. In addition to its national member committees, the Charity also has two direct members, Woodside (Australia), and the energy ministry of the Dominican Republic. These organisations are located in countries where the Council has no national Committee. Direct members have access to the Council's studies and events, but do not have voting privileges or the full rights of membership. The aim is for them to experience the benefits of exposure to the Council's global network and then act as ambassadors in their country, recruiting other companies and interested parties, including the government, to form a new national member committee. Over the course of the year, two direct members formed the new member committees, one in Malaysia and one in Singapore, demonstrating the success of the direct membership model. One member committee (the Philippines) was withdrawn from membership during the year.

Work was also begun on a strategy review for the Charity to strengthen and articulate the value proposition of Council membership, and develop and implement methods to improve the engagement and capacity of member committees to contribute to and deliver the Council's mission. This included a one-day workshop with member committees as part of Secretaries' Strategy Day during the AGM, to share insights and experiences on challenges, best practice, and methods to strengthen member committees. This workshop and subsequent open dialogue with members and other stakeholders highlighted the diversity of member committees and a keen desire to develop further platforms to exchange best practice and tools to support communication between member committees.

PATRONS AND PARTNERS

The Global Partners Programme was created in 2009 with two key aims: (1) to help strengthen member committees by requiring any new Global Partner to become a paying member of at least three member committees; and (2) to bring additional revenue directly to the London office to support the Council's work. The programme is aimed at attracting innovative energy or energy-related companies and/or national or regional companies seeking to expand their business to the global level. In 2016, the Council had fourteen Global Partners who contributed £418,000 (2015: £532,000) to support the Council's activities.

The Patrons programme is aimed at identifying energy companies who are already members, to partner with the Council and contribute cash or in-kind goods or services to support its work. The Patron income goes into the Foundation, a designated fund within the Charity. Patrons are provided with certain benefits which are not available to regular members, including invitations to the Council's exclusive World Energy Leaders' Summits and a dedicated account manager in the London office. In 2016, the Council had fifteen Patrons, seven of which provided in-kind contributions of staff and expertise, with the remainder making cash contributions. In 2016, Patrons contributed £1,111,000 (2015: £1,184,000) to support the Council's work.

Patrons and Global Partners comprised 78 memberships of member committees.

Gifts in Kind

Gifts in kind in 2016 were provided by certain Patrons in lieu of cash contributions. These included secondments from TEPCO (Japan) and VNG (Germany). Also providing support were Accenture (Scenarios and Resources), Oliver Wyman (Trilemma), Engie (Sectoral Programmes), VNG (GEI and Scenarios) and Swiss Re and Marsh McLennan (Financing Resilience).

Gift in kind revenues match the gift in kind expense, which is shown under the relevant work programme or other activity in the financial statements.

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Gifts in kind are shown at the market replacement value, i.e., what it would cost to hire the same level of person or the same types and levels of service in the UK market.

KEY PERFORMANCE INDICATORS

The Charity monitors its performance with respect to its work programme and charitable activities as well as its other activities (membership, Patrons and Global Partners, Congress) through Key Performance Indicators, assessing progress against these benchmarks on an annual basis.

While the Secretary General is responsible for monitoring progress against the KPIs, every staff member is expected to contribute to the achievement of these through individual performance objectives set each year with his or her line manager.

The following table shows the outcomes of the main Key Performance Indicators for the Charity for 2016.

KEY PERFORMANCE INDICATORS AND ACHIEVEMENTS

KPI	Target	Achieved?	Achievement
2016 Congress Programme	Reach goal of 250 star speakers for the Congress by the end of August 2016	Yes	This was achieved in July 2016
2016 Congress Programme	Reach 80 Ministers in attendance at the Congress	No	These targets were subsequently reduced due to the political and security climate to 60. 61 Ministers were in attendance including 4 Heads of States.
Visibility	Increase level of media coverage of the Council and Congress by 80% compared with 2013	Yes	More than 400% increase achieved in terms of value; media participation at Congress increased by nearly 300%
Membership	Have a presence, either through a national member committee or via one or more Direct Members, in 97 countries by the end of 2016	Yes	Presence in 97 countries at the end of 2016. The Council had 95 member committees and the additional direct membership of the Dominican Republic and Woodside (Australia).
Revenue	Increase non-Congress revenues by 4% v 2015	Yes	Non-Congress revenues increased overall by approximately 5%. However, this was only achieved by the increase in gift in kind of approximately 40%. Cash

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			revenue from subscriptions, Patrons and Global Partners was lower than in 2015.
Costs	Savings of 4% of budgeted expenditure across organisation	Yes	Careful cost management achieved savings of more than 6% across the organisation compared to the budget.
Engagement	Breadth of substantive content engagement of Council stakeholders at least 90% of all countries represented	Yes	This was exceeded with more than 120 countries engaged in substantive activity from members and non-members.
World Energy Academy	To develop the backbone syllabus and guide to enable more countries to develop a World Energy Academy programme	Yes	This was developed and a beta website to support the World Energy Academy programme was begun to be launched in 2017.
Work Programme	Flagship studies and other programme reports advance the Council's thought leadership on the energy system, with the aim that these are published before the Congress to underpin discussion themes.	Yes	<p>Fourteen reports produced in advance of the Congress including:</p> <ul style="list-style-type: none"> • 2016 Trilemma Index • World Energy Trilemma 2016: Defining measures to accelerate the energy transition • World Energy Scenarios • World Energy Resources • The road to resilience: Managing cyber risks • The road to resilience – managing the risks of the energy-water-food nexus • Issues Monitor 2016 • Variable Renewable Energy Sources Integration in Electricity Systems • Financing Resilience Energy Infrastructure

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			<ul style="list-style-type: none"> • Non-Tariff Measures: Next Steps for Catalysing the Low-Carbon Economy • E-mobility: Closing the emissions gap • E-storage: Shifting from cost to value 2016 • Unconventional Gas: A Global Phenomenon
Subscriptions	Achieve payment of >77% of 2015 subscriptions by end of year	Yes	77.5% achieved by year-end

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

These accounts have been prepared on a going concern basis under the authority of the Charity's Trustees. The Statement of Financial Activities (SoFA) set out on page 28 shows the following results for the Charity for the year.

There have been no significant events during the year which impacted the Charity's financial status.

Income Generation

Income generation during the year was £5,633,000 (2015: £4,828,000). The primary sources of income were membership subscriptions, Congress revenues and the Patrons and Global Partners programmes.

Subscription income was £1,613,000 (2015: £1,641,000) for the year.

The Patrons contributed £1,111,000 (2015: £1,184,000), which was added to the designated fund, the WEC Foundation, and Global Partners contributed £418,000 (2015: £532,000) to support the Council's work.

Resources Expended and Services

Total resources expended by the Charity in 2016 amounted to £5,603,000 (2015: £4,789,000). These included expenditures of £3,640,000 (2015: £3,022,000) on the work programme. Note 4 provides a breakdown of resources expended.

FINANCIAL MANAGEMENT POLICIES

Investment Policy and Returns

The Charity and the WEC Foundation, a designated fund within the Charity, have separate investment policies which are reviewed annually. The policies for both entities have the following objectives:

- Controlling the Charity's investments;

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

The Charity's overall investment policy is based on a conservative, low-risk approach aimed at preserving capital while still providing modest to good returns. This is achieved primarily through the use of Common Investment and Deposit Funds, which minimise risk by using a spread of professionally selected funds.

The investments of the Charity (**excluding** the Foundation), which consist principally of cash surpluses, are placed in short-term deposit accounts. By policy, these cash surplus funds may not be invested in equity funds.

WEC Services Ltd. did not hold any investments in 2016.

An additional investment guideline for the Foundation Fund regarding the division between funds aims to maintain the following range for its sterling-based assets:

- Equity based funds – major part of capital monies
- Fixed interest funds – minor part of capital monies
- Cash deposit funds – variable part of short-term cash funds

Although the Foundation investment policy allows for investments of non-sterling-based income, the Foundation currently holds no foreign currency investments.

Fund managers for the Charity and the Foundation are listed on page 25 of these financial statements. All funds are invested with top-tier UK banks or other secure institutions.

In 2016, the Trustees authorised a total utilisation from the Foundation of £1,050,000 to support the Charity's work programme.

At the end of 2016, the Foundation's assets totalled £1,505,000 (2015: £1,373,000) and the group's investments, excluding cash deposits, were valued at £467,000 (2015: £411,000).

The Foundation was established as a mechanism to ensure that the Charity's work programme is financially supported with funds contributed by major donors who are already members of the organisation. These funds come directly to the Charity and are designated, but not restricted. They may be used any time there is a requirement for additional financial support for specific elements of the work programme.

Restricted Funds

For 2016, the Charity held two restricted funds: the Latin America Fund, which supported the Latin American Scenarios deep dive; and funds for the UK Member Committee until such time as it is fully established; at the end of 2016, the amount in this account was £175,000 (2015: £134,000).

Free Reserves

Free reserves available for use by the Charity are deemed to be those that are readily realisable, less fixed assets and funds whose uses are restricted or designated. At the end of 2016, the Charity held free reserves of £139,000 (2015: £239,000).

The Trustees review annually the value of the reserves retained in the form of investments, cash and cash equivalents not held for restricted purposes. They consider the Charity's exposure to major risks in terms of the likely effect on its income sources and planned expenditure in the short to medium term. They also assess the best way to mitigate such risks.

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The Council's reserves policy requires sufficient reserves to:

- cover the Charity's operating and work programme expenses for up to six months;
- include a contingency to cover any shortfall in the existing programme or project funding;
- provide initial funds for future projects to be undertaken.

The reserves level has thus been set at 40% of the previous year's total cash expenditures, including expenditures of the WEC Foundation. WEC Foundation is accounted for as a designated fund to be utilised in support of the Charity's work programme. The Foundation reserves are included when calculating the total reserves on hand. Eighty per cent of reserves are to be used to meet operating expenses and the remaining 20% to safeguard the Charity's work programme commitments. The Council also has an additional designated fund of £3k in respect of the Gerald Doucet Memorial Fund, details of which can be found in Note 13; this fund is used to support young energy leaders.

For 2016, the level of reserves required according to the stated policy was £1,496,400. The free reserves are £139,000. The Trustees have noted the difference between the required and actual levels but are comfortable that when the designated funds in the Foundation are taken into account, the Charity has sufficient reserves to fund its work programme and operate the office for at least six months.

The total material amounts committed and falling due within the next twelve months are shown in Note 12. This consists of rent on the current premises.

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. A review of the organisation's human resource policies and procedures was carried out by an independent advisor in the first half of 2016. Recommendations were provided to the Trustees on organisational practices to ensure that the Charity's human resource strategy can support delivery of the Council's mission. The recommendations have been introduced throughout 2016 to ensure good practice, to improve and streamline procedures and performance, and to ensure the Council can attract and retain high quality talent. Employees also worked together to develop shared organisational values that were rolled out across the organisation. It is anticipated that the organisation will have been able to implement all aspects of the key recommendations by the end of the second quarter of 2017.

Employees are encouraged to make their suggestions and views on the Charity's aims, objectives and work programme known to the Charity's senior leadership team.

By stated policy, the Charity does not discriminate nor tolerate discrimination on the grounds of colour, race, ethnic or national origin, religion, age, disability, marital status, sex or sexuality, either in the hiring process or in the workplace.

All employees are expected to adhere to this policy. While the policy does not explicitly mention Trustees, it is expected that the policy would also be adhered to by the Trustees of the Charity.

RISK MANAGEMENT

The Trustees carry out an annual risk management review to assess business risks, implement appropriate risk management strategies and ensure that the organisation follows current best practice with respect to risk management and has implemented adequate internal controls.

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

A variance letter is prepared by management each quarter and accompanies the quarterly financial reports sent to the Finance Committee. The variance letter provides an update on any risks which would affect the Charity and notes what steps have been taken to reduce or eliminate such risks.

A more extensive annual risk assessment is carried out at the last Trustees' meeting each year and involves identifying the types of risks the Charity faces, prioritising them in terms of potential effect and likelihood of occurrence and identifying means of mitigating them.

The main risks to the Charity in 2016 and the steps taken to address these risks are noted below.

Risk	Perceived risk level (1-5)	Risk Protection
<p>Risks associated with the 2016 Istanbul Congress arising from political instability in Turkey and the security situation in Istanbul leading to cash risks to the Organising Committee (OC) and their ability to deliver the Congress; a potential cash and reputational risk to the Charity if the Congress did not meet its revenue goals and/or if the security situation threatened delegate attendance; and a reduction in number of speakers and delegates impacting the credibility and success of the Congress programme</p>	4	<ul style="list-style-type: none"> • Regular monitoring and assessment of progress including polling of attendance to monitor turnout • Regular communication with OC and service providers and site visits to Istanbul by senior staff to assist and support the OC and professional conference organisers • Secured commitment of early payment of 50% of the final financial payment • Strong and flexible programme developed to accommodate lower registration numbers • Secured support of the Presidential office to ensure security, protocol support, and execution of the event • Took all possible steps with regards to liability insurance and monitoring of security advice to ensure safety of staff including third party review of security • Review of event cancellation policy

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Erosion of member base	2	<ul style="list-style-type: none"> • Strategy review commenced to review, strengthen, and articulate value proposition • Consultation and dialogue through activities including Secretaries Strategy Day to develop mutually enhancing activities • Operational improvements begun to boost service delivery to member committees • Regular review and monitoring of member committees' "health" • Enhancement of AGM and events to provide more content and additional opportunities to interact and discuss energy issues • Monitoring of subscription and arrears status • Direct Membership programme in place to allow companies to join as a basis for forming a new member committee over time in their country • Extension of the early payment discount window
Loss of WEC Patrons/Global Partners or inability to recruit new Patrons and Global Partners, particularly in light of the global downturn in the energy sector	4	<ul style="list-style-type: none"> • Account managers in London office assigned to provide customised service to Patrons and Global Partners, with additional FTE resource brought on in July to focus on partner development and management • Pipeline of potentials in place • Operational improvements begun to develop and maintain account plans of all Patrons and Partners • Rolling, automatically renewing contracts to streamline renewal process • Close monitoring of invoicing and payments by Patrons and Global Partners and follow-up on outstanding amounts • Enhanced benefits for Patrons and Global Partners
Legal environment, insurance, safety, security of office, equipment, network, website and staff	1	<ul style="list-style-type: none"> • Appropriate insurances in place, including office, liability and contents • Annual fire risk assessment carried out • Security system in place • Equipment security tagged • UK health and safety requirements monitored to ensure compliance • Regular back-up of network, database and website, with back-ups stored offsite • Appropriate firewalls and security regularly assessed for vulnerability and action • New business continuity plan in place

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		<ul style="list-style-type: none"> • Move of email to cloud-based servers • Significant human resource review carried out, leading to policy and operational improvements to meet good practice • Continued monitoring of legal and external environment to assess and adapt to changes including "Brexit"
Inability to accurately predict VAT liability in any given quarter	2	<ul style="list-style-type: none"> • Regular review of VAT situation by VAT specialist to ensure appropriate record-keeping, accurate VAT returns and correct VAT categories • Detailed record-keeping in place to identify recoverable, partly recoverable and non-recoverable VAT
Finances and financial reserves	2	<ul style="list-style-type: none"> • Monthly monitoring of finances by management • Quarterly and annual financial reporting by management to Finance Committee and Trustees • Introduction of budgeting savings as organisational target and careful cost management

After reviewing the risks to the Charity at the end of 2016, the Trustees concluded that management had taken prudent and reasonable steps to minimise the overall risks to the organisation; and that the system of internal checks and balances has been sufficient to date to safeguard the Charity against the risks it might face. The policies and procedures governing risk management were reviewed, and changes were made to policies relating to event cancellation, and the appointment of family members to the executive.

In addition, the Trustees reviewed their Risk Appetite Policy which allows them to assess projects and initiatives in terms of the risks these might pose to the Charity, balanced against the rewards – financial or otherwise – which might result. In general, the risk appetite of the Trustees tends to be relatively conservative.

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in Note 8 of these financial statements.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the company (who are also the Trustees of the Charity) during the year are listed on page 23. New Directors appointed at the 2016 Executive Assembly in Istanbul, Turkey, assumed their seats on 13 October and are included in the list on page 23 of this report.

FUTURE PLANS

Based on their review of the organisation's overall financial health, the Trustees believe that the Charity is stable and will continue to operate but that it must also take the following actions to ensure that it remains viable and strong for the future:

**WORLD ENERGY COUNCIL
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- Progress the strategy review, working with stakeholders including member committees, Patrons and Global Partners, expert contributors and officers to ensure that the Council can respond to changes in the environment, remain relevant, and continue to fulfil its mission.
- In line with the above, examine the development of new revenue streams for the Charity and its trading subsidiary.
- Continue to promote the Charity's visibility, credibility and presence on the global energy scene through the World Energy Leaders' Summits and Ministerial Roundtables and through partnerships with leading global institutions.
- Continue to monitor the stability and robustness of the member base, develop additional ways to foster strong, active member committees, including through the strategy review process; and recruit new member committees.
- Conclude the work on the subscription formula to provide certainty and clarity for members.
- Ensure that annual membership subscriptions are paid, seek to recover arrears and find ways to support or rebuild member committees which are struggling financially.
- Continue to promote and develop direct membership as a scalable way to create, over time, new national member committees.
- Seek additional Patrons and Global Partners to help support the Charity's work and ensure partnerships strengthen the Charity.
- Create partnerships with Regional Development Banks to promote mutually beneficial programmes, enhance regional visibility and build on the Charity's regional integration work.
- Further develop the Global Gas Centre, which is now a formal programme within the Charity in order to increase penetration into the global gas community.
- Further develop the World Energy Academy as a way to benefit the public good and to provide energy education and a broad overview of the global energy sector to the next generation of energy leaders as well as to those in relevant energy-related industries, such as law and finance.
- Assess the method of collaboration and delivery for future World Energy Congresses and events so that success can be assured and that delivery can be adapted to the changing context.
- Monitor revenues and expenditures to ensure the Charity operates with a balanced budget, that there are sufficient financial resources to support its work; and that it has sufficient cash reserves on hand to meet unexpected emergencies.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is governed by Articles of Association, which were adopted on 8 November 2012 and amended in 2013, 2015 and 2016. The Articles ensure the Charity is compliant with the UK Companies Act 2006 and the UK Charities Act 2011. The new Articles superseded the original Memorandum and Articles of Association adopted on 21 March 2001.

The Council's members are autonomous member committees in over 90 countries. Each member committee is entitled to be represented in the Executive Assembly, which is the ultimate governing authority for the Charity. The Executive Assembly meets at an Annual General Meeting once a year to conduct the business of the Council. All member committees have one vote in the Executive Assembly, regardless of size or subscription category.

The Trustees have control of the Charity, its property and its funds. The Articles specify the minimum number of Trustees and the requirements for becoming a Trustee. Trustees are elected by the Executive Assembly and report to it. The Trustees meet at least twice a year to discuss strategy, assess operational and investment performance, review financial reports and set the budgets. According to the Articles, the Trustees may, at their discretion, put before the members at the AGM any issues of policy or any other business for discussion and debate.

The Trustees recognise the importance of communicating with members and soliciting their views, input and ideas. Such communication is carried out both formally – through surveys, questionnaires and formal meetings – and informally – through direct contact, by e-mail and telephone. In particular, the views of members are heard during the annual Executive Assembly, when various matters, such as the Charity's work programme, the budget, new initiatives and changes in strategy, are brought before the members for open discussion.

The Executive Assembly has delegated to the Trustees responsibility for managing the business affairs and property of the Charity and its trading subsidiary, for ensuring that the policies approved by the Executive Assembly are implemented and for overseeing the performance of the Secretary General, whom it appoints at its discretion. To help carry out these duties, the officers have established three subcommittees: Remuneration, Nominations and Finance. The terms of reference are summarised and lists of members for each subcommittee are provided on page 23.

The Executive Assembly has delegated responsibility for the Charity's charitable activities (work programme) to three Standing Committees: Communications and Strategy, Programmes and Studies. The chairs of these Standing Committees serve as Trustees of the Charity and Directors of the company.

The Chair of the World Energy Council serves as Chair of the Executive Assembly. S/he is elected by the Executive Assembly for a three-year term and may not be re-elected. A Co-Chair is also elected and serves for a three-year term alongside the Chair, supporting him or her and being integrated and oriented into the role; at the end of his/her term as Co-Chair, the Co-Chair is confirmed as Chair.

Before election, nominees are required to disclose to the Nominations Committee and the Board any other significant commitments which might affect their ability to carry out their duties. Once elected, the Chair and Co-Chair are required to notify the Board of any change in commitments. Such commitments and the likely effect of these are noted in the annual report.

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At the Annual General Meeting in Istanbul on 9 October, members confirmed the appointment of the Co-Chair David Kim as Chair of the Council and confirmed Jean Marie-Dauger as Co-Chair, both to serve three year terms, from 2016-2019.

The current Chair is president of his own company and has confirmed that he is able to set aside time to devote to his role with the Charity. The Co-Chair is retired from his full-time role a senior executive but continues to be financially supported by his company. He has no commitments which affect his ability to attend Board meetings or to carry out his work as Co-Chair.

The performances of the Chair and Co-Chair are evaluated by the Board and the performance of the Finance Chair is evaluated by the Finance Committee members on an annual basis. In addition, the Board members assess their own performance annually. The criteria for these evaluations are developed and approved by the Board and the Finance Committee and are based on process performance rather than on personal performance. The evaluations are also designed to ensure the Charity's compliance with the corporate governance guidelines of the UK Financial Reporting Council. The evaluations of the Chair, Co-Chair, Finance Chair and other officers were carried out for 2016 in accordance with the agreed criteria and process.

All Trustees/Directors are required to confirm annually, via a form which they complete and sign, that they are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. It is the responsibility of the Board to ensure that all Trustees/Directors remain independent. Specific criteria for determining a Director's/Trustee's independence include whether s/he:

- has been an employee of the company or group within the last five years;
- has, or has had within the last three years, a material business relationship with the company, either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;
- has received or currently receives remuneration from the company;
- participates in a performance-related pay scheme, or is a member of the company's pension scheme;
- has close family ties with any of the company's advisers, directors or senior employees;
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the Board for more than nine years from the date of their first election.

In addition, directors are asked to review a list of suppliers and clients with whom the Charity deals and to disclose whether they have a material business or other relationship with any of these companies which could be deemed to be that of a related party and/or which could affect their independence. Based on these criteria and on the results of the completed 2016 Related Parties and Trustee Independence questionnaire, all current directors appear to be independent.

The Chair of the Finance Committee serves as the Senior Independent Trustee and is available to members if they have concerns which have not been resolved through the normal channels of the Chair or Secretary General, or when the problem is such that these contacts are inappropriate.

Trustees are elected for three-year terms. Successive terms of office for a given office may not, unless otherwise agreed on an exceptional basis by the members, be held by the same person or by representatives of the same member committee. Trustees must be a constituent member or employed by a constituent member of a national member committee and are expected to be familiar

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with and promote the Council's work, to participate in meetings of the Board and Executive Assembly and to support their own travel costs and any other expenses associated with serving as a Trustee.

Candidates for positions on the Board must be nominated by the national member committee of which they are a member, and the member committee must provide a statement which outlines the qualifications of the candidate to serve as a member of the Board, along with a copy of the candidate's CV. Once the Nominations Committee has reviewed all nominees and selected the final candidates, the slate of nominees is sent to the members, along with the CV for each nominee, prior to the election of Trustees/Directors, which normally takes place at the Annual General Meeting. The briefing note that accompanies the nominations states why the Board believes each Trustee/Director should be elected.

New Trustees receive an induction pack containing a description of Trustees' responsibilities as well as policy and other documents governing the work of the Board and the Charity. The pack also includes a description of the Trustees' fiduciary and legal responsibilities under UK law and other pertinent information necessary for effective and informed decision-making. The Secretary General and Chair brief new Trustees on their responsibilities when they are elected.

ATTENDANCE AT BOARD AND SUBCOMMITTEE MEETINGS

The following shows individual Trustee/Director attendance at the meetings of the Board and its subcommittees in 2016:

BOARD (OFFICERS COUNCIL) MEETINGS

	9 JUNE	1 JULY	20 JULY	27 SEPTEMBER	9 OCTOBER
AL-NEYADI Matar	✓	✓	✓		
BARBKNECHT Klaus-Dieter	✓		✓		✓
BEKRI Nur					
BIRNBAUM Leonhard		✓	✓		✓
BUDARGIN Oleg					✓
CARVALHO NETO Jose da Costa		✓	✓		✓
DAUGER Jean-Marie	✓	✓		✓	✓
KIM Younghoon David	✓	✓	✓	✓	✓
MERCAN Hasan Murat	✓	✓	✓	✓	✓
MOHALE Bonang			✓		
MURAKI Shigeru	✓			✓	✓
NADEAU Marie-Jose (Chair)	✓	✓	✓	✓	✓
OSKVIG O.H. (Dean)	✓	✓	✓	✓	✓
STATHAM Brian	✓	✓	✓	✓	✓
VARGAS LLERAS José Antonio	✓		✓	✓	

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FINANCE COMMITTEE MEETINGS

	9 JUNE	18 JULY	1 AUGUST	9 OCTOBER
BARBKNECHT Klaus-Dieter (Chair)	✓	✓	✓	✓
CARNEGIE John	✓			
CUPIT Michael				
KIM Younghoon David	✓	✓	✓	✓
MURAKI Shigeru	✓	✓	✓	✓
NADEAU Marie-Jose	✓	✓	✓	✓
STATHAM Brian	✓	✓	✓	✓

NOMINATION COMMITTEE MEETING

	9 JUNE
NADEAU Marie-Jose (Chair)	✓
CARVALHO NETO Jose da Costa	
DAUGER Jean-Marie	✓
KIM Younghoon David	✓
STATHAM Brian	✓
VARGAS LLERAS, Jose Antonio	

REMUNERATION COMMITTEE MEETINGS

	23 February	8 June	7 October
Nadeau (Chair)	✓	✓	✓
Barbknecht	✓	✓	
Dauger	✓	✓	✓
Kim	✓	✓	✓
Statham	✓	✓	✓

CHIEF EXECUTIVE/SECRETARY GENERAL

The Secretary General serves as the Chief Executive Officer of the Charity and as Chief Executive Officer of its trading subsidiary. He is responsible for carrying out the decisions of the Executive Assembly and the Board and engaging members of staff to undertake the Charity's work. The Secretary General has also been delegated responsibility for the day-to-day management of the Charity's affairs under the oversight of the Trustees. He serves as ex officio, non-voting Secretary of the Officers' Council. He is assisted by a group of senior managers in the London office. The Articles specifically prohibit the chief executive from becoming the Chair or a Trustee of the Charity.

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TRUSTEES' REPORT
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GROUP STRUCTURE

The World Energy Council consists of two separate but related legal entities:

- The World Energy Council, which is a UK registered charity ("the Charity") and a UK company incorporated under the laws of England and Wales; and
- WEC Services Limited ("WSL"), the World Energy Council's wholly owned trading subsidiary and a separately registered UK company incorporated under the laws of England and Wales.

The Charity carries out charitable activities in accordance with the stated Mission and Objects of the organisation. The liability of the members is limited to an amount no greater than £1. If the Charity is wound up or dissolved and there remains any property, it is not to be paid to or distributed among the members but is to be given or transferred to some other charity or charities having objects similar to the Objects of the Council.

WEC Services Limited (WSL), the trading subsidiary, was incorporated on 18 June 2001 and carries out non-charitable trading activities to raise funds on behalf of the Charity. WSL's share capital is £100 divided into 100 shares of £1 each. If, upon the winding up or dissolution of the company and after the satisfaction of all its debts and liabilities, there remains any property, this is to be given or transferred to the Charity in accordance with the Articles of Association.

WSL makes a gift aid payment to the Charity of its annual taxable profits by no later than 30 September of the following year, after due provision for the financial requirements of any business carried on by company which would absorb or extinguish taxable profits that would otherwise be available for distribution. During 2016, WSL made an operating profit of £649,000 (2015: £186,000 profit).

WSL's primary activities and outcomes for the reporting period were focused on preparations for the 2016 World Energy Congress.

Results of WSL's activities are disclosed in Note 15 of these financial statements and in the separate financial statements of WSL.

KEY MANAGEMENT REMUNERATION

Key management is defined as "those persons with authority and responsibility for planning, directing and controlling the activities of the entity". Under this definition, key management personnel for the Charity consist of the Secretary General, the Chief Operating Officer and three other senior staff. The compensation package for the Secretary General, including salary, bonus and benefits, is set annually by the Remuneration Committee and is based on an assessment of UK inflation rates, the salaries of comparable executives in the UK and the financial performance of the Charity. The compensation for the other key management personnel, which includes salary, bonus and benefits, is recommended by the Secretary General to the Finance Committee based on achievement of the individual's annual objectives and the Charity's financial performance. The Finance Committee then recommends the final salary and bonus actions to the Board for ratification.

STATEMENT OF TRUSTEES' RESPONSIBILITIES AND CORPORATE GOVERNANCE

The Trustees are responsible for preparing the annual report and financial statements for each financial year in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice and for ensuring that the annual report and accounts provide:

- a true and fair view of the incoming resources;
- the application of such resources for the Charity and group during the year; and
- reviewing the state of affairs at the end of the financial year.

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In preparing these financial statements, the Trustees are required to:

- Ensure that the most suitable accounting policies are established and applied consistently;
- Make judgements and estimates which are reasonable and prudent;
- Observe the methods and principles in the Charities SORP;
- State whether the applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the organisation will continue in operation for the foreseeable future.

The Trustees are responsible for ensuring that the Charity has appropriate systems and controls, financial and otherwise, in place. They are also responsible for keeping proper accounting records which at any time disclose with reasonable accuracy the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and for safeguarding the assets of the Charity and their proper application as required by UK charity law, which means the Trustees must take reasonable steps to prevent and detect fraud and other irregularities and to provide reasonable assurance that:

- The Charity is operating efficiently and effectively;
- All assets are safeguarded against unauthorised use or disposition and are properly applied;
- Proper records are maintained and financial information used within the Charity, or for publication, is reliable;
- The Charity complies with relevant laws and regulations.

Insofar as each of the Trustees/Directors of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing the audit report) of which the company's auditors are unaware. Each Trustee/Director has taken all of the steps that s/he should have taken as a Trustee/Director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 16 May 2017 and signed on behalf of the Board by


Younghoon David Kim
Chair
World Energy Council


Klaus-Dieter Barbknecht
Chair
Finance Committee

**WORLD ENERGY COUNCIL
LEGAL AND ADMINISTRATIVE INFORMATION
ENDED 31 DECEMBER 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

The World Energy Council 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 24.

The present Trustees, any past Trustees who served during the year and new Trustees who have been appointed since last October and who will sign these reports are listed on this page. The Trustees of the Charity serve as its Officers Council and are also Trustees of the WEC Foundation and Directors of WEC Services Limited (WSL), the Charity's trading subsidiary.

Further legal and administrative details are set out on pages 24 and 25.

TRUSTEES

Bekri, Nur (Baikeli, Nuer)	
Barbknecht, Klaus-Dieter	* ∅ ≠
Birnbaum, Leonhard	
Budargin, Oleg	
da Costa Carvalho Neto, José	+ ∅
Cronenbold, Claudia	Term began 13 October 2016
Dauger, Jean-Marie	* (ex officio) + ∅
Hanf, Robert	Term began 13 October 2016
Ibrahim, Elham Mahmood	Term began 13 October 2016
Kim, Younghoon David	*(ex officio) + ∅
Mercan, Hasan Murat	Term ended 13 October 2016
Mohale, Bonang	Term ended 13 October 2016
al Muhanna, Ibrahim	Term began 13 October 2016
Muraki, Shigeru	* Term began 15 April 2016
Nadeau, Marie-José	*(ex officio) + ∅ Term ended 13 October 2016
Al Neyadi, Matar	
Oskvig, Dean	Term ended 13 October 2016
Statham, Brian	* + ∅ Term ended 13 October 2016
Vargas Lleras, José Antonio	∅

* Member of Finance Committee ∅ Member of Remuneration Committee
+ Member of Nominations Committee ≠ Indicates Senior Independent Director

SUBCOMMITTEES OF THE BOARD OF DIRECTORS

FINANCE COMMITTEE

The Finance Committee is responsible for the budget, annual accounts and long-term financial commitments of the Council and for recommending the appointment of the auditor. It also serves as the Audit Committee.

Chair: Klaus-Dieter Barbknecht

Members: John Carnegie; Michael Cupit; Shigeru Muraki; Brian Statham (term ended 13 October 2016); Marie-José Nadeau (ex officio); Younghoon David Kim (ex officio); Jean-Marie Dauger (ex officio)

**WORLD ENERGY COUNCIL
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2016**

NOMINATIONS COMMITTEE

The Nominations Committee is responsible for nominating new Directors and developing the slate of nominees for presentation to the shareholders.

Chair: Marie-José Nadeau until 13 October 2016; Younghoon David Kim from 13 October 2016

Members: José da Costa Carvalho Neto; Jean-Marie Dauger; Brian Statham (term ended 13 October 2016); Jose Antonio Vargas Lleras (term began 13 October 2016); Younghoon David Kim (ex officio)

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for recommending to the Board the compensation, pension arrangements, performance criteria and performance-related pay for the Secretary General.

Chair: Marie-José Nadeau until 13 October 2016; Younghoon David Kim from 13 October 2016

Members: Klaus-Dieter Barbknecht; José da Costa Carvalho Neto; Jean-Marie Dauger; Brian Statham (term ended 13 October 2016); José Antonio Vargas Lleras (term began 13 October 2016); Younghoon David Kim (ex officio until 13 October 2016)

CHIEF EXECUTIVE OFFICER

Dr Christoph Frei

OTHER SENIOR MANAGEMENT

Emily Melton, Chief Operating Officer

Tania Baumann, Chief of Staff & Senior Director of Operations

Stuart Neil, Senior Director, External Affairs and Communications

Karl Rose, Senior Director, Scenarios and Policies

Didier Sire, Senior Director, Head of Sectoral Programmes

PRINCIPAL AND REGISTERED OFFICE

62-64 Cornhill, London EC3V 3NH

AUDITOR

Crowe Clark Whitehill LLP, St Bride's House, 10 Salisbury Square, London, EC4Y 8EH, UK

BANKERS

Barclays Bank, Piccadilly Corporate Business Centre, Pall Mall Corporate Group, PO Box 15165, London SW1A 1QF, UK

**WORLD ENERGY COUNCIL
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2016**

SOLICITORS

Archon Solicitors, Gresham Street, London, EC4R 0DP, UK (personnel)

Gordon Dadds Solicitors, 6-11 Agar Street, London WC2N 4HN (commercial contracts and property matters)

Laura Devine Solicitors, 100 Cannon Street, London, EC4N 6EU (immigration and visas)

INVESTMENT MANAGERS

Black Rock (Merrill Lynch) Investment Funds

CCLA Investment Management Ltd (COIF)

HSBC Charity Common Investment Funds

Schroders Unit Trusts Limited

Group VAT Registration Number: GB 123 3802 48

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 2016 which comprise the Consolidated Statement of Financial Activities, the Group and Company Balance Sheets and the related notes numbered 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2015. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and

- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

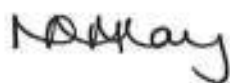
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Trustees Annual Report.



Nicola May

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

Date: 4 July 2017

WORLD ENERGY COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted Funds 2016 £'000	Restricted Funds 2016 £'000	Total 2016 £'000	Unrestricted Funds 2015 £'000	Restricted Funds 2015 £'000	Total 2015 £'000
Income and endowments from:							
Charitable activities							
Subscription fees		1,613	-	1,613	1,641	-	1,641
Patron income		1,111	-	1,111	1,184	-	1,184
Global Partner Income		418	-	418	494	38	532
Gifts in kind		1,406	-	1,406	1,020	-	1,020
Other trading activities		-	181	181	-	110	110
Investments	9	14	-	14	17	-	17
Other							
Congress income	15	700	-	700	200	-	200
Other income		190	-	190	110	14	124
Total income and endowments	13	5,452	181	5,633	4,666	162	4,828
EXPENDITURE							
Expenditure on charitable activities							
Subscription costs		950	-	950	749	-	749
Work programme		3,640	-	3,640	3,018	4	3,022
Congress expenditure		330	-	330	192	-	192
WELS, ministerial and partners		567	-	567	730	-	730
Other expenditure		-	116	116	-	96	96
Total expenditure		5,487	116	5,603	4,689	100	4,789
Net gains/(losses) on investments		56	-	56	(3)	-	(3)
Net income/(expenditure)		21	65	86	(26)	62	36
Net movement in funds		21	65	86	(26)	62	36
Total funds brought forward		1,783	182	1,965	1,809	120	1,929
Total funds carried forward		1,804	247	2,051	1,783	182	1,965


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

The notes on pages 31 to 43 form part of these financial statements.

WORLD ENERGY COUNCIL
CONSOLIDATED AND CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2016

	Notes	Group 2016 £'000	Charity 2016 £'000	Group 2015 £'000	Charity 2015 £'000
FIXED ASSETS					
Tangible assets	8	149	149	168	168
Investments	9	467	467	411	411
		<u>616</u>	<u>616</u>	<u>579</u>	<u>579</u>
CURRENT ASSETS					
Debtors	10	1,250	1,295	1,393	1,457
Short term deposits		4	4	4	4
Cash at bank and in hand		1,762	1,712	1,846	1,806
		<u>3,016</u>	<u>3,011</u>	<u>3,243</u>	<u>3,267</u>
CREDITORS: amounts falling due within one year	11	<u>(1,581)</u>	<u>(1,576)</u>	<u>(1,857)</u>	<u>(1,881)</u>
NET CURRENT ASSETS		<u>1,435</u>	<u>1,435</u>	<u>1,386</u>	<u>1,386</u>
TOTAL ASSETS		<u>2,051</u>	<u>2,051</u>	<u>1,965</u>	<u>1,965</u>
FUNDS					
	13 & 14				
Restricted		247	247	182	182
Unrestricted					
Designated Funds					
- WEC Foundation		1,505	1,505	1,373	1,373
- Gerald Doucet Memorial Fund		3	3	3	3
General Fund		296	296	407	407
TOTAL FUNDS		<u>2,051</u>	<u>2,051</u>	<u>1,965</u>	<u>1,965</u>

These financial statements were approved by the Board of World Energy Council (Company No. 4184478) and authorised for issue on 16 May 2017 and signed on their behalf by:


Kim Younghoon David
Chair, World Energy Council


Klaus-Dieter Barbknecht
Chair, Finance Committee

The notes on pages 31 to 43 form part of these financial statements

**WORLD ENERGY COUNCIL
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	£'000	£'000
Cash flows from operating activities:		
<i>Net cash provided by (used in) operating activities</i>	(79)	(168)
Cash flows from investing activities		
Dividends, interest and rents from investments	11	17
Purchase of property, plant and equipment	(16)	(10)
<i>Net cash provided by (used in) Investing activities</i>	(5)	7
<i>Change in cash and cash equivalents in reporting period</i>	(84)	(161)
<i>Cash and cash equivalents at beginning of reporting period</i>	1,850	2,011
<i>Cash and cash equivalents at end of the reporting period</i>	1,766	1,850

Reconciliation of cash flows from operating activities from SoFA

<i>Net income/(expenditure) for the reporting period (as per the SoFA)</i>	86	36
Adjustments for:		
Depreciation charges	35	44
(Gains)/losses on investments	(56)	3
Dividends, interest and rents from investments	(11)	(17)
Loss/(profit) on sale of fixed assets	-	-
(Increase)/decrease in debtors	143	(278)
Increase/(decrease) in creditors	(276)	44
<i>Net cash provided by (used in) operating activities</i>	(79)	(168)

Analysis of cash and cash equivalents

Cash in hand	1762	1,846
Notice deposits (less than 3 months)	4	4
Total cash and cash equivalents	1766	1,850

The charity has taken advantage of the exemptions available in FRS 102 from the requirements to present a charity only Cash Flow Statement.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. COMPANY INFORMATION

World Energy Council is a company limited by guarantee (registered number 4184478), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is 62-64 Cornhill, London EC3V 3NH.

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

World Energy Council meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated.

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

b) Consolidation

The financial statements of World Energy Council and its subsidiary company (WEC Services Limited – Company No. 4236035) are consolidated, on a line-by-line basis, to produce the Group financial statements. The consolidated entity is referred to as 'the Group'. No separate Statement of Financial Activities has been presented for World Energy Council as permitted by Section 408 of the Companies Act 2006. The Charity has taken advantage of the exemptions in FRS 102 from the requirements to present a Charity-only Cash Flow Statement and certain disclosures about the Charity's financial instruments.

c) Fund accounting

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are subject to specific restrictions imposed by the donors. These funds are accounted for separately and are only available to be used for the specific purposes for which they were given.

Investment income and gains and all expenditures are allocated to the appropriate fund.

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WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

d) Incoming resources

The major sources of income for the Charity include:

- the gross invoiced value of subscription fees charged to the Council's members;
- Patron income, which represents corporate contributions for work programme purposes and is credited directly to the WEC Foundation, a designated fund;
- Global Partner income, which represents corporate contributions that are non-restricted and non-designated.

Subscriptions from members are recognised over the period to which they relate and are spread evenly over the period in line with the benefits received; Patron and Global Partner income is recognised when there is entitlement and receipt is probable, usually when the contract is signed. The income is recognised over the period to which it relates and is spread evenly over the period in line with the benefits received.

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

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

Gifts in kind are received from a number of Patrons and other supporters of the charity either through seconded staff members or by the provision of services, e.g., modelling or advisory support on a specific project. Gifts received in kind are recognised as income at a reasonable estimate of their "fair value" to the Charity.

Where the Gifts represent staff time, the Gift in Kind is valued at the estimated cost to hire this level of staff in the UK job market. For goods or services, the value is calculated based on the estimated cost to procure these goods or services in the open market. Gift in Kind expenditures are apportioned by project and match Gift in Kind revenues. Gift in Kind revenues are apportioned equally each quarter into the accounts. Gift in Kind expenses are shown as they are incurred or if for staff, on an apportioned quarterly basis.

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

Support costs comprise the costs of all resources utilised to support the Charity's primary activities and have been apportioned to charitable activities on the basis of the staff resources invested in each activity or project.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

f) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised and included at cost, including any incidental expenses of acquisition.

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful lives as follows:

Leasehold improvements	Over 10 years or over the period of the lease if less
Website development costs	Over four years
Office equipment	Over three years

g) Investments

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

h) Foreign currency transactions

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

i) Cash and bank balances

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

j) Taxation

Under Sections 466 to 493 Corporation Tax Act 2010, a charity is exempt from tax on its income insofar as it is applied for charitable purposes only. All disbursements appear to fall within the charitable objects and, consequently, no tax liability will arise.

k) Irrecoverable VAT

The Charity is registered for VAT, but some VAT is irrecoverable, and this is either charged to the SOFA directly or allocated within support costs.

l) Operating Leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred. In the case of the ten-year office lease signed in June of 2014, a 22-month rent-free period was provided by the landlord and has been factored into the accrued rent over the total period of the lease.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

m) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in the Note 1, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

n) Financial instruments

World Energy Council has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

	2016	2015
	£'000	£'000
Carrying amount of financial assets/liabilities		
Financial assets that are measured at amortised cost	2,977	3,199
Financial liabilities that are measured at amortised cost	(701)	(876)
Financial assets measured at fair value through the SoFA	471	411

o) Financial instruments

The functional currency of World Energy Council and its subsidiary is considered to be in pounds sterling as that is the currency of the primary economic environment in which the Charity/Group operates. The consolidated financial statements are also presented in pounds sterling.

3. RESULTS OF THE PARENT CHARITY

The Charity's total income for 2016 was £5,555,000 (2015: £4,570,000). The Charity made a surplus of £88,000 in the year (2015: £73,000 deficit).

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	Total	Total
4. RESOURCES EXPENDED	£'000	£'000
<i>Subscription costs</i>		
Staff costs	265	286
Membership support	30	28
Bad debts	367	188
Travel and entertainment	150	125
Support costs	138	122
	<u>950</u>	<u>749</u>
<i>Work programme</i>		
<u>Flagship Studies and Programmes</u>		
Staff costs	670	499
Honoraria	66	71
Gifts in kind	1,330	945
Technical Programmes (PGP, Energy Efficiency, RESI)	90	31
World Energy Trilemma	43	73
Future Energy Leader Summits	13	-
Financing Resilient Energy Infrastructure	40	26
World Energy Resources	41	30
Global Electricity Initiative	40	48
Global Gas Centre Costs	13	
World Energy Scenarios	96	99
Rules of Trade	9	3
World Energy Issues Monitor	22	11
Support costs	347	245
<u>Regional agenda</u>		
Staff costs	20	19
Gifts in kind	75	75
General expenses	12	12
Regional Manager Honoraria	150	193
Asia	25	26
Africa	25	23
Europe	9	12
LAC	88	39
Middle East/Gulf States	15	36
North America	-	15
Regional Development	3	6
Support costs	10	90

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Communications & Outreach		
Staff costs	182	193
Miscellaneous	12	2
Publications/editing	17	10
Consultancy/branding	45	65
Travel and hospitality	37	42
Support costs	95	83
Work Programme total	3,640	3,022
Congress		
Staff costs	147	129
Congress expenditure	103	8
Accommodation	4	-
Support costs	76	55
	330	192
WELS, Ministerial and Partners		
Staff costs	304	412
Honoraria	46	7
Ministerial	4	18
Patron and Global Partner costs	11	8
World Energy Leaders Summits	44	106
Support costs	158	179
	567	730
Other costs		
UK WEC	89	96
Other costs	27	-
	5,603	4,789
TOTAL RESOURCES EXPENDED	5,603	4,789

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

5. SUPPORT COSTS

	2016	2015
	Total	Total
	£'000	£'000
Support costs		
Operations and HR	240	154
Accommodation costs	261	262
Office equipment and services	22	95
IT services	104	80
Legal, professional and accountancy	106	128
Depreciation	36	44
Trustees expenses	4	4
Governance costs		
• Audit costs	23	23
• Taxation advice (Charity)	11	21
• Taxation advice (WSL)	-	2
• VAT advice	4	11
• Accounts preparation (Charity)	7	7
• Accounts preparation (WSL)	1	1
• Other advice	3	1
	49	58
	822	833

The method for allocating support costs to each project or department is based the percentage of time staff members spend working on the project.

6. STAFF COSTS

	2016	2015
	£'000	£'000
Wages and salaries	1,568	1,461
Social security costs	171	153
Staff benefits	10	14
Pension costs	45	55
Other staff costs	34	9
	1,828	1,692

Employer pension contributions of £45,000 (2015: £55,000) were made on the employees' behalf.

The average number of employees during the year was 29 (2015: 24).

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

The number of employees whose emoluments, excluding employer pension costs, fell within the following bands were:

Band	2016	2015
£370,001-£380,000	-	1
£330,001-£340,000	1	-
£100,001-£110,000	2	-
£90,001-£100,000	1	-
£80,001-£90,000	-	2
£70,001-£80,000	4	2
£60,001-£70,000	1	2

Compensation for key management personnel, other than the Secretary General, is recommended by the Secretary General to the Finance Committee for approval. The Board's Remuneration Committee is responsible for setting the compensation of the Secretary General.

The total compensation for key management personnel for 2016 was as listed below.

	2016	2015
Senior management remuneration	£775,000	<i>£597,000</i>

No employee expenses were waived during the year.

7. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees neither received nor waived any emoluments during the year (2015: £nil). Trustees are not eligible for any employee benefits and received none during the year. During the year £4,287 (2015: £2,249) was reimbursed to or paid on behalf of one Trustee for travel expenses.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

8. TANGIBLE FIXED ASSETS

All tangible fixed assets are held by the Charity.

	Leasehold improvements	Office equipment	CRM Database	Total
	£'000	£'000	£'000	£'000
<i>Cost</i>				
At 1 January 2016	170	65	27	263
Additions	3	13	-	16
Disposals	-	(18)	(2)	(45)
At 31 December 2016	173	60	-	234

Accumulated depreciation

At 1 January 2016	26	41	27	94
Charge for period	17	19	-	36
Disposals	-	(18)	(27)	(45)
At 31 December 2016	43	42	-	85

Net Book Values

At 31 December 2016	130	18	-	149
At 31 December 2015	144	24	-	168

9. FIXED ASSET INVESTMENTS

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

	2016 £'000	2015 £'000
Market values		
Market value at 1 January 2016	411	414
Additions at cost	-	-
Disposals at opening market value	-	-
Realised gain on disposal of investments	-	-
Unrealised gain / (loss) on investments	56	(3)
Market value at 31 December 2016	467	411
Total investment value at 31 December 2016	467	411
Historical cost at 31 December 2016	248	248

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016	2015
	£'000	£'000
Fixed interest securities	41	39
Equity shares	426	372
	<u>467</u>	<u>411</u>

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

	2016	2015
	£'000	£'000
Units held		
19,666 HSBC Common Fund for Income	24	23
11,638 COIF	135	123
39,982 Schroders	136	111
32,908 BlackRock Charishare Common Investment Fund	172	154
	<u>172</u>	<u>154</u>

10. DEBTORS

	Group	Charity	Group	Charity
	2016	2016	2015	2015
	£'000	£'000	£'000	£'000
Trade debtors	1,181	1,165	1,348	1,226
Amount due from subsidiary company	-	61	-	186
Other debtors	6	6	1	1
Prepayments	35	35	44	44
Accrued income	28	28	-	-
	<u>1,250</u>	<u>1,295</u>	<u>1,393</u>	<u>1,457</u>

11. CREDITORS: amounts falling due within one year

	2016	2016	2015	2015
	£'000	£'000	£'000	£'000
Trade creditors	190	190	220	220
Taxation and social security costs	40	40	44	44
Accruals	511	506	469	464
Deferred income	673	673	981	981
Other	167	167	143	172
	<u>1,581</u>	<u>1,576</u>	<u>1,857</u>	<u>1,881</u>

Deferred income reconciliation:

	£'000
Balance brought forward at 1 January 2016	981
Additions in current year	1,244
Release of deferred income	(1,552)
	<u>673</u>
Balance carried forward at 31 December 2016	<u>673</u>

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. FINANCIAL COMMITMENTS

As at 31 December 2016, the group had future minimum lease payments under non-cancellable operating leases for each of the following periods:

Obligations under operating leases comprise

	2016	2015
	£'000	£'000
Land and buildings		
Within 1 year	163	163
Between 2 and 5 years	652	652
More than 5 years	655	818
Fixtures and fittings		
Within 1 year	29	15
Between 2 and 5 years	115	31
More than 5 years	189	

13. STATEMENT OF FUNDS

	<i>1 Jan</i>			<i>Investment</i>	31 Dec
	<i>2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains</i>	2016
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<u>Restricted funds</u>					
WEC UK Committee	134	130	(89)	-	175
Deep Dive Project	48	51	(27)	-	72
Total Restricted Funds	182	181	(116)	-	247
<u>Unrestricted funds</u>					
General reserve	407	4,326	(4,437)	-	296
Designated funds					
Foundation	1,373	1,126	(1,050)	56	1,505
Doucet Memorial Fund	3	-	-	-	3
Total Funds	1,965	5,633	(5,603)	56	2,051

The Foundation fund represents funds set aside at the Trustees' discretion to assist in the further development of the Council's work programme; these will be utilised in 2017.

The funds in the Gerald Doucet Memorial Fund are used to support the Council's work with young people, e.g., Future Energy Leaders programme.

WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

The funds shown as "Restricted" are (1) the contributions from Eletrobras, CAF and UPME to support the Latin American Scenarios deep dive; and (2) amounts paid by the members of the UK WEC Member Committee and held custodially by the Council until such time as UK WEC establishes its legal status in the UK and opens a bank account. The funds are to be expended solely by UK WEC in order to pay its annual subscription to the Council, to compensate its part-time Executive Director and to carry out a programme of activities for its members.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted			Restricted	Total
	General	Foundation	Gerald Doucet Memorial Fund	Funds	
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	149	-	-	-	149
Investments	-	467	-	-	467
Net current assets	147	1,038	3	247	1,435
	296	1,505	3	247	2,051

15. SUBSIDIARY COMPANY

The Charity owns the whole of the issued ordinary share capital of WEC Services Ltd, a company registered in England (Company Number 4236035; VAT Registration Number GB 123 3802 48). WSL's share capital is £100 divided into 100 shares of £1 each. The subsidiary is used for non-primary purpose trading activities, namely Congresses, non-tax-exempt events and royalties from joint projects. WSL's total annual net profit is gifted to the Charity.

A summary of the results of the subsidiary is shown below.

	Total 2016 £'000	Total 2015 £'000
Turnover	785	258
Administrative expenditure	(136)	(72)
Net profit/(loss)	649	186
Profit on ordinary activities	649	186
Payment under gift aid	(649)	(186)
Retained profit for the year	-	-

**WORLD ENERGY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The aggregate of the assets, liabilities and funds was:

Assets	649	186
Liabilities	<u>(649)</u>	<u>(186)</u>
Funds	<u> </u>	<u> </u>

16. RELATED PARTY TRANSACTIONS

The total aggregated financial contributions from related parties to which one or more Trustees have a relationship were £775,000 in 2016.

One Trustee of the Charity, who is also a Director of the trading subsidiary, was the signatory of a contract between the subsidiary and the Turkish National Committee of the World Energy Council, of which he is the chair, with respect to the 2016 World Energy Congress.

The total value of the contract was £1,200,000, which is the flat fee payment guaranteed to the subsidiary irrespective of whether the 2016 World Energy Congress makes a net profit, with £700,000 of this payable to the subsidiary in 2016. In addition, a sponsorship commission of 10% of all sponsor revenues from international companies was due to be paid to the trading subsidiary in 2016.

The gift aid transfer from the subsidiary to the charity was £649,000 (2015: £186,000). This was the only transaction between WEC and WSL during 2016. As at 31 December 2016 the subsidiary owed £61,000 to the charity.

All flat fee payments due to the subsidiary in 2016 were made.

