

WEC SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

WEC SERVICES LIMITED
DIRECTORS AND ADVISORS
FOR THE YEAR ENDED 31 DECEMBER 2008

LEGAL AND ADMINISTRATIVE INFORMATION

Directors:

NAME

Barnés, Francisco
Bundgaard-Jensen, Asger (term ended 7 November 2008)
Drouin, Richard
Gadonneix, Pierre
García, Elías Velasco
Jain, C.P.
Kim, Younghoon David
de Franco Medeiros, Norberto
M'Mukindia, Mary
Nadeau, Marie-José
Sambo, Abubakar
Teyssen, Johannes
Ward, Graham (term began 8 November 2008)
Zhang, Guobao

FINANCE COMMITTEE (SUBCOMMITTEE OF THE BOARD OF DIRECTORS)

Chair: Graham Ward, CBE, MA, FCA; Members: Norberto Franco de Medeiros, Marie-José Nadeau, Rainer J. Abbenseth, C.P. Jain, Mary M'Mukindia, Elias Velasco Garcia

NOMINATIONS COMMITTEE (SUBCOMMITTEE OF THE BOARD OF DIRECTORS)

Chair: Pierre Gadonneix; Members: C.P. Jain; Mary M'Mukindia

CHIEF EXECUTIVE OFFICER

Gerald Doucet (deceased, 4 October 2008)
Kieran O'Brien (acting, effective 5 October 2008)

REGISTERED OFFICE

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

AUDITORS

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

BANKERS

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

SOLICITORS

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

WEC SERVICES LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

The Directors present their report, together with the audited financial statements for the year ended 31 December 2008. This report is prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

WEC Services Limited (“WSL”) is a wholly-owned subsidiary of the World Energy Council, an incorporated Charity. The Company was incorporated on 18 June 2001.

The Company is used for non-primary-purpose trading activities, namely Congresses and joint/partnership projects. The total net profit is gifted to the Charity. The Company has a cyclical income that is much higher in a Congress year (every third year); during such years, the Company also carries increased expenses. Congress years are followed by two years of lower revenues and expenses. WSL operates on an annual break-even policy directive from the Board of Directors.

WSL’s primary activities and outcomes for the reporting period were focused on carrying out trading and commercial partnership activities on behalf of the Charity to generate revenue to support the WEC work programme. For 2008, these included:

- Commencement of preparatory work and data gathering for the 2010 edition of the triennial publication, the *Survey of Energy Resources*. The 2010 edition will be ready in time for a major launch in 2010 and will be highlighted at the 2010 Congress.
- Ongoing preparations for the 2010 World Energy Congress in Montreal, which will feature major sessions focusing on key energy issues, a large technical exhibition, presented papers and posters, the launch of the outcomes of the Charity’s studies and research over the previous three years and a youth programme.

The organisers of the 2007 World Energy Congress in Rome paid their contractual obligations to WSL with the exception of the money due for the use of the WEC website to promote and market the Congress and to help manage the Congress papers. Efforts to collect this money from the Rome organisers carried over into 2008, and while there was initial optimism about the recovery of these funds, no progress was made. Therefore, after assessing the time and effort, the likelihood of winning the case, the amount to be recouped and the overall costs of pursuing a legal case against the organisers, the Directors agreed, in early December, 2008, not to pursue the case any further.

Since WEC publications are no longer sold and the joint publishing project with Petroleum Economist ended in December 2007, it now becomes more important to develop new revenue-generating projects for WSL and plans are underway for a “School of Journalism” project and an electronic Energy Industry Directory.

The results of the Company for the year ended 31 December 2008 are set out later in these financial statements.

CHARITABLE CONTRIBUTIONS

The Company makes a Gift Aid payment of its total taxable profits no later than 30 September of the following year to the parent Charity, World Energy Council. A Gift Aid payment of £392,000 reflecting the 2007 WSL profits was made during 2008. For the year ended 31 December 2008, a gift aid payment of £5,000 will be made. The Company had no tax liability for 2008.

DIRECTORS

The names of the Directors in office at the date of this report, as well as those who retired during the period, are shown on page 1.

WEC SERVICES LIMITED
DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

DIRECTORS' INTERESTS

All Directors who held office on 31 December 2008 are also Directors of the parent company.

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

AUDITORS

With the approval of the Executive Assembly at its meeting in Mexico City in November, 2008, Horwath Clark Whitehill LLP were reappointed as auditors for the Company.

By order of the Board

Pierre Gadonneix
Chair

Graham Ward, CBE, MA, FCA
Director and Chair, Finance Committee

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

7 May 2009

WEC SERVICES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2008

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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

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

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

Insofar as each of the 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 director has taken all of the steps that he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF WEC SERVICES LIMITED

We have audited the financial statements of WEC Services Limited for the year ended 31 December 2008, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes set out on pages 8 to 10. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view, the financial statements are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the directors' report is consistent with the financial statements.

Horwath Clark Whitehill LLP
Chartered Accountants and
Registered Auditors

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

WEC SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £000	2007 £000
TURNOVER	2b	39	560
Administrative costs		<u>(41)</u>	<u>(169)</u>
OPERATING (LOSS)/PROFIT	3	(2)	391
Exchange rate gain		7	-
Interest receivable & similar income	5	<u>-</u>	<u>1</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5	392
TAXATION	6	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		5	392
Payment under gift aid		<u>(5)</u>	<u>(392)</u>
RETAINED PROFIT FOR THE YEAR		<u>-</u>	<u>-</u>

All of the activities are continuing.

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

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

WEC SERVICES LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	2008 £000	<i>2007</i> <i>£000</i>
CURRENT ASSETS			
Debtors	7	35	<i>25</i>
Cash at bank and in hand		28	<i>85</i>
		63	<i>110</i>
CREDITORS: amounts falling due within one year	8	(63)	<i>(110)</i>
NET ASSETS		-	<i>-</i>
TOTAL ASSETS		-	<i>-</i>
CAPITAL AND RESERVES			
Share capital		-	<i>-</i>
Profit and loss account		-	<i>-</i>
		-	<i>-</i>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved and authorised for issue by the Board on 7 May 2009 and signed on behalf of the Board by

Pierre Gadonneix
 Director

Graham Ward, CBE, MA, FCA
 Director and Chair, Finance Committee

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

WEC SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. STRUCTURE OF THE SUBSIDIARY

WEC Services Limited (WSL) is the trading subsidiary of the World Energy Council. The Trustees of the World Energy Council are also the Directors of WSL. The Charity is the sole member of WEC Services Limited, which has share capital, is registered in England and Wales and was incorporated on 18 June 2001.

The subsidiary is used for non-primary-purpose trading activities, namely Congress revenues and revenues from commercial partnership projects. In addition, non-tax-exempt events are occasionally carried out by the subsidiary. Each year, the net taxable profit is gifted to the Charity.

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

2. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards and the Companies Act 1985 including the Financial Reporting Standard for Smaller Entities effective January 2007 and the Companies Act 1985. The Directors have reviewed the Company's existing accounting policies and consider that they are consistent with the requirements of current standards.

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

b) Turnover

Turnover for the year consisted primarily of payments from the 2010 Congress organisers to support the preparation of the 2010 edition of the Survey of Energy Resources, with some additional revenue from speaker fees and travel reimbursements for WEC staff, primarily the Secretary General.

c) Foreign currencies

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

d) Expenditure

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

WEC SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2008	<i>2007</i>
	£000	<i>£000</i>
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Staff costs: see Note 4 below	-	21
Auditors remuneration – audit	2	2
Foreign exchange gain	<u>(7)</u>	<u>-</u>

For 2008, the main sources of income for WEC Services Limited were payments by the Montreal Congress organisers for preparation costs of the 2010 edition of the Survey of Energy Resources, with additional revenues from paid speaking engagements, primarily by the Secretary General.

The main expenditure of the Company for 2008 came under Project Expenditure for the preparation of the next edition of the Survey of Energy Resources.

4. STAFF COSTS

	2008	<i>2007</i>
	£000	<i>£000</i>
Wages and salaries	-	20
Social security costs	<u>-</u>	<u>1</u>
	<u>-</u>	<u>21</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008	<i>2007</i>
	£000	<i>£000</i>
Bank deposit interest	<u>-</u>	<u>1</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The Company makes a Gift Aid payment comprising its total taxable profit to its parent Charity. Consequently, no tax liability will arise.

WEC SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

7. DEBTORS

	2008	<i>2007</i>
	£000	<i>£000</i>
Amounts falling due within one year:		
Other debtors including taxation	1	-
Prepayments and accrued income	<u>34</u>	<u>25</u>
	<u>35</u>	<i><u>25</u></i>

8. CREDITORS

	2008	<i>2007</i>
	£000	<i>£000</i>
Amounts falling due within one year:		
Amount due to parent undertaking	59	40
Other creditors including taxation & social security	-	67
Accruals	<u>4</u>	<u>3</u>
	<u>63</u>	<i><u>110</u></i>

9. SHARE CAPITAL

WEC Services Limited is a Company with share capital. If upon the winding-up or dissolution of the Company, there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same is not paid to or distributed among the members of the Company, but is given or transferred to the Charity.

10. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

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

11. ULTIMATE PARENT UNDERTAKING

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

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