



**Annual Report of the Council and
Financial Statements for the year ended
31 December 2015**

Registered charity number 1097899

Council, Officers and Committee Chairs

Council and Officers

President

Prof Jim Skea CBE FEI

Past President

Ian Marchant FEI

Vice-President

Malcolm Brinded CBE FREng FEI

Honorary Secretary

Michael Parker CBE FEI

Honorary Treasurer

Belinda Mindell FCA FEI

Young Member Representative

Andrew Hadland GradEI

Other Members of Council

Dr Ibilola Amao FEI

Christopher Boocock CEng FIMechE FEI

Dr Bernard Bulkin FEI

Carl D. Hughes FCA FEI

James MacRae FEI

Nicola Murphy

Eur Ing Lawrence Power CEng FEI

Jaz Rabadia MEI Chartered Energy Manager

Alastair Robertson CEng MEI

Paul R. Smith FEI

Emily Spearman CEng MEI

Dr Joanne Wade FEI

Committees

HR

F

PAC

F

STAC

EAP

Senior Management

Chief Executive

Louise Kingham OBE FEI

Skills and Capability Director

Sarah Beacock FEI

Knowledge Director

Martin Maeso CEnv MEI

Development Director

Marta Kozłowska MEI

Marketing and Communications Director

Jocelyne Bia

Finance Director

Ava Longhurst

Main Committee Chairmen

Human Resources Committee (HR)

Michael Parker CBE FEI

Finance and Audit Committee (F)

Belinda Mindell FCA FEI

Professional Affairs Committee (PAC)

Christopher Boocock CEng FIMechE FEI

Scientific and Technical Advisory Committee (STAC)

James MacRae FEI

Energy Advisory Panel (EAP)

Dr Joanne Wade FEI

Disciplinary Committee

To be appointed by Council as required

Appeals Committee

To be appointed by Council as required

Other information

Registered Office

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www.energyinst.org

Registered charity number 1097899

Incorporated by Royal Charter 1 July 2003

Licensed by the Engineering Council (UK) to register engineers and technicians

Licensed by the Science Council (UK) to register Chartered Scientists

Licensed by the Society for the Environment to register Chartered Environmentalists

Bankers

Lloyds TSB Bank Plc, 324 Regent Street, London W1B 3BL

Investment Managers

Sarasin & Partners LLP

Juxon House, 100 St Pauls Churchyard, London EC4M 8BU

Solicitors

Hempsons

40 Villiers Street, London WC2 6NJ

Auditor

haysmacintyre

26 Red Lion Square, London WC1R 4AG

Pensions Adviser

Noble Johnson

Arle Court, Hatherley Lane, Cheltenham Gloucestershire GL51 0TP

Council Report for the year ended 31 December 2015

Council presents its Report and the Financial Statements for the year ended 31 December 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative details

Legal and administrative information is set out on page 1 and forms part of this report.

Establishment and legal structure

The Energy Institute (EI) was incorporated by Royal Charter on 1 July 2003 and is a registered charity, number 1097899. The EI is governed in accordance with the Royal Charter and Byelaws. The Financial Statements have been prepared in accordance with the requirements of the Royal Charter, the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015 FRS102) and other relevant statutory requirements.

Governance

The Council of the EI is its governing body and consists of elected and appointed members of the EI.

The Council of the EI has the following membership: -

- the President, the Honorary Secretary and the Honorary Treasurer
- other such officers as the EI may determine
- up to 6 elected individual members of the EI
- up to 3 individuals co-opted by Council
- up to 3 individual members of the EI, nominated by Branches.

The Chief Executive attends meetings of Council in a non-voting capacity. Members are elected or appointed to the Council and remain so until their term of office, determined by Council regulations, concludes. The members of Council at the date of this report are shown on page 1. All served throughout the year under review with the exception of Messrs Christopher Boocock CEng FIMechE FEI, Carl D. Hughes FCA FEI, Ms Jaz Rabadia MEI Chartered Energy Manager, Mr Paul R. Smith FEI, Ms Emily Spearman CEng MEI, Dr Joanne Wade FEI, Mr Andrew Hadland GradEI, Energy Engineer, who were appointed to Council at the AGM on 23 June 2015; Dr Ibilola Amao FEI and Mr Alastair Robertson CEng MEI who were appointed to Council on 1 October 2015; and Mr James MacRae FEI who was appointed to Council on 15 December 2015. The following retired from Council at the AGM on 23 June 2015: Eur Ing Roy Kelly CEng FEI, Messrs Martin Lawrence FEI, Anthony Levy FEI, Geoffrey Picton-Turbervill MEI, Denis Pinto MEI, Kris Szajdzicki FEI, Sara Turnbull CEnv MEI, and Eur Ing Derrick Farthing CEng FEI.

Members of the Council are also the trustees in accordance with charity law and provide the strategic direction of the Charity. Trustees are appointed and elected via various routes and all new members undergo a comprehensive induction session and where appropriate external trustee training is also provided.

The Council has the power (under Bye-law 45) to establish, regulate and dissolve committees and delegate its powers and functions (other than the power to make regulations or its non-delegable powers as a body of trustees) to such committees. Three mandatory committees operate and report quarterly to Council, namely Finance and Audit, Human Resources and Professional Affairs. The Scientific and Technical Advisory Committee also reports to Council and is directly represented via the co-option of its Chairman to Council. Similarly the Energy Advisory Panel reports to Council and is chaired by a member of Council.

EI is managed on a day-to-day basis by the Chief Executive assisted by staff of appropriate qualification and experience. The Council monitors performance on a quarterly basis.

The EI's remuneration policy objective is to ensure the staff and the key management personnel are rewarded in a fair and responsible manner for their contribution to the success of the EI and provided with appropriate incentives to encourage enhanced performance. It is the intention of the EI to reward staff in a way which ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. In setting an appropriate salary structure the EI takes account of information on movements in prices and salaries in central London; salaries in the charity and commercial sectors; and, the EI's charitable status and financial position.

The EI consists of individual members and company members, having such qualifications and rights as are determined by the Bye-laws in force.

Branches

The EI provides grants and administrative support and guidance to a number of branches that operate autonomously both within the UK and overseas. The officers of these branches are appointed by the branch memberships of the EI. The EI also owns 3 subsidiary branches in Hong Kong, Nigeria and Singapore.

Major risks

Council has identified and reviewed the major risks to which the EI is exposed. Council is satisfied that appropriate systems have been implemented to mitigate those risks.

Council has identified the priority risks as follows:

Economic challenges in the industry, such as the oil price drop, have a direct impact on the EI's membership subscriptions and income from charitable activities. The EI maintains controls and awareness with good budgeting systems in place to receive early warning. The senior management team continues to maintain a good relationship with the EI's partners.

The refurbishment project raises health and safety risks as well as monetary risks if the project over runs or the building reveals unbudgeted issues. The staff health and safety committee meets twice a year, all aspects of health and safety are reviewed. Particular focus has been on reviewing the building contractor's policies on health and safety, contractors have been closely monitored by the facilities manager. Contractors have also been subject to external Health and Safety Audits and the outcomes of these have been reported to the EI on a monthly basis. Regular financial reports have been produced by the quantity surveyors and the finance director has been regularly monitoring the EI's cashflow.

Council see the risk of losing key staff as a high priority. They recognise the importance of maintaining good personnel policies, effective succession planning and training to mitigate the risk of losing valuable knowledge. The senior management team and HR committee have worked on identifying critical talent within the organisation and discussed methods of sharing and transferring knowledge between key staff.

PUBLIC BENEFIT

Members of Council recognise their responsibilities towards public benefit under the requirements of the Charities Act 2011 and have had regard to the guidance from the Charity Commission on public benefit. This requirement is reflected in the Objects of the EI, set out below. The benefits are clear and identifiable. They are available to a wide section of the public who are interested in energy and its implications for society, whilst the broader public benefits derive from the development of safe, secure and a more sustainable supply and use of energy in a way that enables affordable development. These benefits are set out within the appropriate sections of this report.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

The objects of the EI are the promotion for the public benefit of the science of energy and fuels in all applications and uses, including:

- To conduct or promote the conduct of scientific and other research, to publish useful results of such research, and to provide facilities for study, research and education;
- To publish, produce and distribute or assist in the publication, production or distribution of films, recordings, and any form of written, printed or electronic communication and to advertise in any manner;
- To establish and maintain libraries and collections, and provide public access to them, and to collect information whether or not on a basis restricted by agreement with the provider thereof;
- To hold conferences, meetings and seminars and other events and to promote the reading of learned papers;
- To encourage the undertaking of voluntary work in the interests of the EI;
- To develop and promulgate codes of good professional practice, to prescribe standards of education, training and experience in professions or activities related to the objects and to hold examinations and other tests, and to award certificates and diplomas: provided that no such certificate or diploma shall purport to be issued by or under government authority, or purport to be a national qualification, without the prior approval of, or accreditation by, the appropriate department of Government and/or the appropriate devolved administration, or the appropriate regulatory body for qualifications;
- To institute, establish and promote educational and training courses, scholarships grants, awards and prizes.

In addition to its Royal Charter objects, which define the nature of its activities, the EI Council sets strategic aims to work towards achieving those objects. They represent a continuation and expansion of EI's remit to promote good practice towards a safer, more secure and sustainable energy system and the contribution that energy professionals make to society.

The strategic aims agreed by Council are focused upon:

- *Developing and sharing energy knowledge to improve understanding*
- *Supporting energy professionals and delivering the skills needed*
- *Driving up standards, promoting excellence in practice.*

The Council approves an annual business plan to ensure that the activities of the EI contribute towards meeting the strategic aims and that the organisational resources required are adequate to meet its needs. Current information about the EI's activities can be found at www.energyinst.org

Principal activities for the year, achievements and performance

In 2015, the EI embarked on a major refurbishment campaign for its London home to improve its services to members and visitors and help expand its future activities for public good. The EI's mission remains to develop and share knowledge, skills and good practice towards a safe, secure, sustainable and affordable energy system and below are highlights of how those objectives were met in the course of 2015.

Developing and sharing energy knowledge to improve understanding

The EI's greatest asset lies in the expertise of its members. To capitalise on this knowledge and share it with energy industry stakeholders for the benefit of society, the EI launched the Energy Barometer, a major new initiative to capture and share members' views annually on current energy issues. A college of EI professional members was surveyed and the first Energy Barometer report published to inform UK energy policy and stimulate the energy debate. Welcomed by government officials, industry and other key stakeholders, the Energy Barometer is expected, over time, to assist in tracking trends and assessing progress towards recommendations year on year, as well as helping to steer the EI's future activities towards greater understanding of energy among its audiences.

Meanwhile, energy professionals and the general public continue to benefit from the growing bank of energy knowledge curated by the EI. The EI knowledge portal now gives access to several million records, some of which have been turned into online collections relating to a specific topic to make users' searches as effective as possible. The value of the EI knowledge resources is enhanced by exclusive knowledge-sharing partnerships, such as the one secured in 2015 with the Crown Estate.

Driven by the coverage of the UN Climate Change Summit in Paris (COP21), there is now increased understanding in society of the need to meet carbon emissions targets and reduce energy consumption. To support public and business engagement in achieving these goals, the EI has promoted the UK's Energy Savings Opportunity Scheme (ESOS) and energy efficiency more broadly and extensively through video and editorial coverage. It has also organised policy debates on the need to decarbonise the industry's operations as a response to COP21.

Alongside regular energy policy debates, the EI has enabled over 5,000 energy professionals to access expertise and share knowledge face-to-face through over 100 events across its national and international network. Highlights included industry leaders Ben Van Beurden, CEO of Royal Dutch Shell, Igor Sechin, CEO of Rosneft, and Maria Van Den Hoeven, then Executive Director of the International Energy Agency speaking at International Petroleum Week. Malcolm Brinded CBE FREng FEI gave a lecture on "global solutions to global energy challenges" as recipient of the Cadman medal, and the Petroleum Geology Conference celebrated 50 years of the first North Sea field discovery. The topics covered across the EI events programme included energy efficiency, process safety, asset integrity, human factors and heat. The EI has also established itself as a leader in hosting high quality, hands-on technical events, such as a visit to the DART facilities at the Robert Gordon University in Aberdeen, demonstrating human factors in practice.

Supporting energy professionals and delivering the skills needed

As mentioned before, the need for greater energy efficiency and energy management in society continues to grow worldwide. To support those responsible for implementing energy efficient measures in their organisations, both in the UK and abroad, the EI has further expanded its energy management training portfolio, focusing in the UK on ESOS and the ISO 50001 standard and developing energy management courses in the Middle East. It also launched an online Learning Centre to remove any geographical barriers to learning.

Illustrated by the EI Barometer, a skills shortage of recruits with science, technology, engineering and maths (STEM) affects much of the energy industry. Inspiring the next generation is a core aim of the EI and to achieve this it has once again participated in the Big Bang Fair to promote STEM disciplines and energy careers to 7-19 year-olds. Attendance at the EI stand was boosted by the presence of EI Young Professionals Network (YPN) representatives to motivate young people into working in energy in future – helping build the bridge between the current generation and the next to sustain industry and enhance society's wellbeing. .

A major aspect of supporting industry with its recruitment and skills requirements is to increase the pool of talent available. For that purpose, in 2015, the EI committed to promoting diversity in the energy industry by managing the POWERful Women (PFW) initiative supporting women towards senior management roles in the sector, and signing up to two charters on diversity in science and engineering. The EI has also led by example with the proportion of women sitting on its Council rising to 30% as a result of the 2015 AGM elections.

Energy is a global industry and to support its people worldwide, the EI has increased its international reach with the launch of a new branch in Singapore, creating another strong knowledge-sharing and learning centre for members working outside of the UK, alongside the Middle East, Malaysia, Nigeria, Hong Kong and the Republic of Ireland.

Driving up standards, promoting excellence in practice

The EI's reputation as an invaluable partner for energy companies to address operational issues, especially around health and safety, processes, human factors and good practice standards, was boosted by growing activities and external recognition of its work.

Thirty good practice guidelines were published in 2015, covering upstream and downstream oil and gas, power generation and offshore wind. This included guidance on process safety, hazardous area classification, test methods, storage and distribution, change management, health and fitness, climatic factors and a review of the ageing workforce. Two e-learning tools were also launched: Learning from Incidents (part of the Hearts and Minds toolkit) and Environmental Awareness for Offshore Installations.

Additionally, In 2015, the EI published the G9 Offshore Wind Health and Safety Association 2nd incident data report and saw the group called upon by the regulators to provide leadership towards greater safety in that sector. The G9 also gained one new member in EDF Energy Renewables.

On the demand side, the EI has developed specific tools to support both organisations and Lead Assessors in complying with ESOS and implementing energy efficiency. The EI's strict criteria of expertise required to join its registers has continued to ensure that it provides the best qualified Lead Assessors and energy management advisers on the market. By the end of 2015, there were 228 consultants listed on the EI's Register of Professional Energy Consultants.

Finally, to ensure that those studying energy receive the highest standard of learning, the EI reviewed the academic programmes of 18 universities, including Imperial College (London), University of Aberdeen and Heriot-Watt University (Edinburgh).

Investment powers, policy and performance

The powers of Council to manage investments are specified in Bye-law 44. The Council has delegated the management of the investment portfolio to its Finance and Audit Committee. Its policies are:

- to employ an active investment management strategy
- to hold funds required for the day-to-day running of the Energy Institute in interest paying bank deposit accounts.

The performance of the Energy Institute portfolio for the calendar year 2015, gross of fees, was 4.3%, compared with the WM peer group of 4.0%. Net of management fees and custody costs, the portfolio returned 3.3% against a benchmark of 2.8%. The Committee regularly reviews the performance of the investment and deposit portfolio and reports to Council on a quarterly basis. Investments are under management by Sarasin & Partners LLP.

FINANCIAL REVIEW

The financial results for the EI itself are set out in the Statement of Financial Activities on page 8.

During the year the EI's consolidated results had incoming resources of £6,877,000 and expended resources of £6,926,000. There was net expenditure of £116,000 in the general unrestricted reserve. After taking account of movements on restricted reserves and the designated reserves, this resulted in a net expenditure of £49,000. Actuarial gains on the pension scheme contributed a surplus net movement in funds of £122,000 for the year.

At the end of 2015 the EI group had net assets of £9,879,000, analysed in the balance sheet set out on page 10. The primary asset is the long leasehold of premises at 61 New Cavendish Street, carried in the balance sheet at deemed cost less depreciation.

Listed investments plus cash and bank deposits totalled £4,896,000 at the end of 2015, sufficient to meet the EI's obligations to creditors and restricted funds. There was an increase in the surplus on the pension plan from 2014 of £82,000, reflected in the balance sheet under Financial Reporting Standard 102 at £287,000.

Operational reserves

The free reserves at 31 December 2015 were £677,000. Council consider that a minimum level of free reserves, which consist of unrestricted general and designated funds less the amount invested in tangible fixed assets, is an amount sufficient to cover expenditure associated with the EI's identified contractual liabilities in the absence of appropriate income. Council therefore considers that the current level of free reserves is appropriate and reviews this policy on a regular basis.

Future plans

The EI's 2016 operating plan focuses on building upon past successes to continue improving the energy literacy of our stakeholders and publics, increasing the reach of good practice to new communities and providing more opportunities for people to learn and study energy.

Among activities to achieve this, the next Energy Barometer survey, developed with input from key stakeholders as an outcome of the first report, will be published.

The second Energy Systems Conference, held in June in partnership with Elsevier, will bring together academia, industry and policy makers to explore the most suitable and efficient ways to design more sustainable energy systems and provide recommendations for policy and decision makers to support economic and social growth.

The EI will develop new tools to help the energy management community to understand organisational culture and behaviour and encourage change, based on the Hearts and Minds operational safety toolkit - an industry-proven safety improvement tool that not only engages workforces, but enables them to identify how to improve their behaviours towards a more energy efficient and sustainable work environment. When completed, the EI's own refurbishment work on its Grade II* listed home will have integrated a number of energy efficiency measures, providing examples of successful retrofitting of historic housing stock and setting the EI as a model of good practice for others to follow.

COUNCIL'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Council prepares financial statements for each financial period, which give a true and fair view of the state of affairs of the EI and of the surplus or deficit of the EI for that period. In preparing those financial statements, Council is required to:

- follow applicable accounting standards;
- observe the methods and principles in the Charities SORP;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the EI will continue in business.

Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the EI and to enable it to ensure that the financial statements comply with the Royal Charter and the Charities Acts. Council is also responsible for safeguarding the assets of the EI and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution proposing that haysmacintyre be re-appointed as auditors of the EI will be proposed at the Annual General Meeting.

(signed) Jim Skea
Prof Jim Skea CBE FEI
President

(signed) Belinda Mindell
Belinda Mindell FCA FEI
Honorary Treasurer

14 April 2016

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ENERGY INSTITUTE

We have audited the financial statements of the Energy Institute for the year ended 31 December 2015, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditor

As explained more fully in the Statement of Council's Responsibilities set out in the Report of the Council, the Council is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 (APB'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 charity'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 Report of the Council 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 charity's affairs as at 31 December 2015 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Council is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

(signed) haysmacintyre

haysmacintyre

Chartered Accountants
Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

14 April 2016

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities for the year ended 31 December 2015
 (Including consolidated income and expenditure)

		2015	2015	2015	2015	2014
		Unrestricted		Restricted	Total	Total
	Note	General reserves	Designated reserve	reserves	reserves	reserves
		£'000	£'000	£'000	£'000	£'000
Income:						
<i>Income from charitable activities:</i>						
Members' subscriptions		1,526	-	-	1,526	1,520
Charitable activities		3,991	6	1,127	5,124	5,522
	3	5,517	6	1,127	6,650	7,042
Donations		-	-	104	104	251
Investments		111	-	12	123	126
Total income		5,628	6	1,243	6,877	7,419
Expenditure:						
Charitable activities		5,744	89	1,093	6,926	6,797
Total expenditure	4	5,744	89	1,093	6,926	6,797
Net gains/(losses) on investments	9	-	-	-	-	99
Net income/ (expenditure)		(116)	(83)	150	(49)	721
Transfers between funds		37	(37)	-	-	-
Other recognised gains/ (losses):						
Actuarial gains/(losses) on Pension Plan	13	122	-	-	122	(188)
Net movement in funds		43	(120)	150	73	533
Reconciliation of funds:						
Total funds brought forward		1,783	5,112	2,911	9,806	9,273
Total funds carried forward	14a	1,826	4,992	3,061	9,879	9,806

All income and expenditure derive from continuing activities and there are no gains and losses other than those passing through the Statement of Financial Activities.

Charity Statement of Financial Activities for the year ended 31 December 2015
 (Including income and expenditure account)

		2015	2015	2015	2015	2014
		Unrestricted		Restricted	Total	Total
	Note	General	Designated			
		reserves	reserve	reserves	reserves	reserves
		£'000	£'000	£'000	£'000	£'000
Income:						
<i>Income from charitable activities:</i>						
Members' subscriptions		1,522	-	-	1,522	1,520
Charitable activities		3,915	6	1,127	5,048	5,397
	3	5,437	6	1,127	6,570	6,917
Donations		-	-	104	104	251
Investments		111	-	12	123	126
Total income		5,548	6	1,243	6,797	7,294
Expenditure:						
Charitable activities		5,653	89	1,093	6,835	6,675
Total Expenditure	4	5,653	89	1,093	6,835	6,675
Net gains/(losses) on investments	9	-	-	-	-	99
Net income/ (expenditure)		(105)	(83)	150	(38)	718
Transfers between funds		37	(37)	-	-	-
Other recognised gains/ (losses):						
Actuarial gains/(losses) on Pension Plan	13	122	-	-	122	(188)
Net movement in funds		54	(120)	150	84	530
Reconciliation of funds:						
Total funds brought forward		1,750	5,112	2,911	9,773	9,243
Total funds carried forward	14b	1,804	4,992	3,061	9,857	9,773

All income and expenditure derive from continuing activities and there are no gains and losses other than those passing through the Statement of Financial Activities.

Consolidated and Charity Balance Sheet as at 31 December 2015

	Note	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Fixed assets:					
Tangible assets	8	5,854	4,161	5,854	4,161
Investments	9	3,635	3,636	3,635	3,636
Total fixed assets		9,489	7,797	9,489	7,797
Current assets:					
Debtors	10	1,166	1,131	1,166	1,131
Short term deposits		215	1,562	215	1,562
Bank and cash		1,046	623	1,024	590
Total current assets		2,427	3,316	2,405	3,283
Liabilities:					
Amounts falling due within one year	11	(1,710)	(1,512)	(1,710)	(1,512)
Net current assets		717	1,804	695	1,771
Total assets less current liabilities		10,206	9,601	10,184	9,568
Creditors: falling due after more than 1 year	12	(614)	-	(614)	-
<i>Net assets excluding pension asset</i>		9,592	9,601	9,570	9,568
Pension Plan surplus	13	287	205	287	205
Total net assets		9,879	9,806	9,857	9,773
The funds of the charity:					
<i>Unrestricted reserves</i>					
General reserve	14	1,539	1,578	1,517	1,545
Pension reserve		287	205	287	205
Designated reserves		4,992	5,112	4,992	5,112
		6,818	6,895	6,796	6,862
<i>Restricted reserves</i>	14	3,061	2,911	3,061	2,911
Total group and charity funds		9,879	9,806	9,857	9,773

(signed) Jim Skea
Prof Jim Skea CBE FEI
 President

(signed) Belinda Mindell
Belinda Mindell FCA FEI
 Honorary Treasurer

These financial statements were approved and authorised for issue by Council on 14 April 2016.

Cash flow Statement for the year ended 31 December 2015	Group	Group	Charity	Charity
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net movement in funds for the reporting period (as per the statement of financial activities)	(49)	721	(38)	718
(Gains)/losses on investments	-	(99)	-	(99)
Investment income	(123)	(126)	(123)	(126)
Depreciation of tangible fixed assets	84	91	84	91
Decrease/(increase) in debtors	(35)	375	(35)	375
(Decrease)/increase in creditors	74	(426)	74	(426)
Non-cash operating movement in pension scheme asset	41	(5)	41	(5)
Net cash provided by (used in) operating activities	(8)	531	3	528
Cash flows from investing activities:				
Investment income	123	126	123	126
Payments to acquire tangible fixed assets	(1,777)	(106)	(1,777)	(106)
Net cash provided by (used in) investing activities	(1,654)	20	(1,654)	20
Cash flows from financing activities:				
Repayments of borrowing	(12)	-	(12)	-
Cash inflows from new borrowing	750	-	750	-
Net cash provided by (used in) financing activities	738	-	738	-
Change in cash and cash equivalents in the reporting period	(924)	551	(913)	548
Cash and cash equivalents at the beginning of the reporting period	2,185	1,634	2,152	1,604
Cash and cash equivalents at the end of the reporting period	1,261	2,185	1,239	2,152
Group analysis of cash and cash equivalents				
	1 January 2015	Cash flow	31 December 2015	
	£'000	£'000	£'000	
Cash at bank and in hand	623	423	1,046	
Short term deposits	1,562	(1,347)	215	
Total cash and cash equivalents	2,185	(924)	1,261	
Charity analysis of cash and cash equivalents				
	1 January 2015	Cash flow	31 December 2015	
	£'000	£'000	£'000	
Cash at bank and in hand	590	434	1,024	
Short term deposits	1,562	(1,347)	215	
Total cash and cash equivalents	2,152	(913)	1,239	

Notes on the financial statements

Note 1 - Accounting Policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments at market value, and in accordance the Statement of Recommended Practice for Charities (SORP 2015) and applicable accounting standards (FRS 102). Following the transition to FRS102 for the first time in 2015 all of the accounting policies have been aligned with the new accounting standard and these have not had a material nature on the accounts. Therefore no adjustments have been required to the previously reported financial statements and consequently no transition note has been presented in the notes to the accounts.

b) Basis of consolidation

The trustees have undertaken a review of the status of each of its branch entities during the year and have concluded that three branches, being Hong Kong, Nigeria and Singapore constitute separate legal entities. Therefore the charity has presented separate charity and consolidated financial statements for the current and comparative year. The previously reported results aggregated the income, expenditure, assets and liabilities of these entities with the charity's financial statements.

The financial statements of Energy Institute and its three trading branch subsidiaries are consolidated, on a line-by-line basis, to produce the consolidated financial statements. The results of the trading branch subsidiaries are detailed in Note 7.

The Energy Institute has one associated undertaking in Petroleum Geology Conferences Limited (PGC). The principal activity of the company is to hold periodic petroleum geology conferences in accordance with a joint venture agreement.

In the parent charity accounts the investment in associates is recognised at cost less provision for impairment. FRS 102 requires associated undertakings to be accounted for under the equity method of accounting where the charity's share of the associate's net income or expenditure is recognised in the Statement of Financial Activities (SOFA) and netted off against the carrying amount of the investment in the consolidated accounts. As all profits arising from the activities of PGC are subject to gift aid donations to its shareholders, and reflected within income of the Energy Institute, any variances in the interest in associates under equity accounting is immaterial to the financial statements and therefore the investment is held at cost in both the charity and consolidated financial statements.

c) Going concern

The trustees consider that there are no material uncertainties regarding the Institute's ability to continue as a going concern.

d) Income

All income is recognised on an accruals basis and excludes Value Added Tax.

Subscriptions are included in the period in which they are receivable.

e) Expenditure

Expenditure is included on an accruals basis and excludes the related Value Added Tax (except where the Value Added Tax is not recoverable). Resources expended are analysed according to departmental costs incurred.

Support costs consist of central management, property, administration and governance costs. Governance costs consist of those costs associated with meeting the statutory and compliance requirements of the charity. Support costs are allocated to expenditure on charitable activities in accordance with the proportion of staff involved in each direct activity.

f) Tangible fixed assets and depreciation

Fixed assets are stated at cost less depreciation. Depreciation is provided on all assets on the straight line method at the following rates calculated to write off over their remaining lives:

Leasehold property	1.0% per annum
Building improvements	5.0% per annum
Furniture and fittings	20.0% per annum
Computer software	33.3% per annum
Computer and electrical equipment	33.3% per annum

g) Investments

Listed investments are stated at market value. Gain and losses arising from changes in market values are included within the Statement of Financial Activities. Unlisted investments are stated at cost less provision for impairment.

Notes on the financial statements

Note 1 - Accounting Policies (continued)

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

i) Financial instruments

The Energy Institute only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other receivables and payables and bank loans are initially recognised at transaction value and subsequently measured at their settlement value.

Debt instruments are subsequently measured at amortised cost, using the effective interest method.

j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

k) Pensions

The Energy Institute operates a defined benefit pension plan which is now closed to new entrants. The scheme is funded with the assets held separately from the Energy Institute in separate trustee administered funds.

The asset or liability recognised in the balance sheet is the net of the present value of the pension scheme liabilities and the fair value of the assets held in the scheme. The current service cost of the scheme and net interest costs are charged to staff costs in the SOFA. Actuarial gains and losses are recognised within other recognised gains and losses in the SOFA. The detailed assumptions relating to the valuations of the pension scheme assets and liabilities and movements in the year are included in Note 13.

The Energy Institute also operates stakeholder pension plans for employees for which employer contributions are expensed in the SOFA as payable.

l) Foreign currency translation

The Institute's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

The trading results of overseas subsidiaries are translated into sterling at the average exchange rate for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the balance sheet date. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the results at average rates are recognised in the SOFA.

m) Fund accounting

Funds held by the Energy Institute are categorised as:

Unrestricted general – funds which can be used in accordance with the charitable objects of the Institute at the discretion of Council.

Unrestricted designated – funds which have been set aside by the Council for specific purposes.

Restricted – funds that can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Note 2 – Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Energy Institute's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgement and estimation are as follows:

Defined benefit pension scheme liabilities

The Energy Institute has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet as advised by an independent actuarial adviser. The assumptions reflect historical experience and current trends.

Notes on the financial statements

Note 3 - Incoming resources from charitable activities

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Membership subscriptions	1,526	1,520	1,522	1,520
Knowledge sharing activities	1,961	1,849	1,961	1,849
Skills development activities	1,004	1,209	928	1,084
Good practice activities	2,123	2,416	2,123	2,416
Other	36	48	36	48
	6,650	7,042	6,570	6,917

Note 4 – Expenditure on charitable activities

	Direct costs Staff £'000	Direct costs Other £'000	Support costs £'000	2015 Total £'000	2014 Total £'000
Good practice activities	728	1,507	282	2,517	2,281
Knowledge sharing activities	883	937	376	2,196	2,176
Skills development activities	644	894	188	1,726	1,711
Communications	188	114	94	396	507
Charity total	2,443	3,452	940	6,835	6,675
Charitable expenditure in subsidiaries	-	91	-	91	122
Group total	2,443	3,543	940	6,926	6,797

Note 5 – Analysis of support costs

Support staff costs	524	477
Building facilities and services	222	174
Management & Human Resources	85	45
Finance	34	32
Information Technology	75	74
	940	802

Included in support costs are governance costs relating to:

Auditor's remuneration	15	14
Actuarial	2	2
Legal and consultancy	6	3
Salaries	5	5
Other	12	11
	40	35

Note 6 – Staff costs

Salaries	2,372	2,303
Social security costs	235	228
Pension costs	152	121
Other staff related costs	208	130
	2,967	2,782

Notes on the financial statements

Note 6 – Staff costs (continued)

The average number of employees was 67 (2014: 66).

The following numbers of staff have salaries above £60,000:	2015	2014
Between £60,000-£70,000	3	2
Between £70,001-£80,000	1	2
Between £80,001-£90,000	1	-
Between £90,001-£100,000	-	1
Between £110,001-£120,000	1	-
Number of staff included above for whom retirement benefits are accruing under:		
Defined benefit plan	3	3
Stakeholder Scheme	3	2

Pension contributions paid in respect of these individuals totalled £58,201 (2014: £44,330).

Trustees’ reimbursed expenses

Due to the nature of the Energy Institute, most Trustees will be associated with organisations which may have a financial relationship with the Energy Institute. Opportunity is given for disclosure of any financial or other interest prior to any Council discussion.

Trustees are allowed to be paid according to the Royal Charter for services provided to the Charity. During the year no trustees were remunerated (2014: no trustees). Trustees’ expenses for travel and accommodation reimbursed during the year amounted to £4,352 (2014: £11,159) in respect of 6 trustees.

Remuneration of key management personnel

The key management personnel of the Energy Institute comprise 6 senior management employees. Total remuneration and pensions for these key management personnel were £444,810 (2014: £415,579).

Note 7 – Subsidiary undertakings

Energy Institute has 3 trading branch subsidiaries which are controlled by the Charity. Energy Institute Hong Kong (Branch) Ltd is incorporated in Hong Kong under the Companies Ordinance and limited by shares wholly owned by the EI. Energy Institute Nigeria is a Company Limited by Guarantee with EI as the sole member. Energy Institute Nigeria is incorporated in Nigeria and registered with the Corporate Affairs Commission. Energy Institute (EI) Singapore Pte Ltd, is incorporated in Singapore as a private limited company. Energy Institute (EI) Singapore was incorporated on 1 August 2015 and wholly owned by the EI.

Trading subsidiaries’ results

	Energy Institute Hong Kong (branch) Ltd £’000	Energy Institute Nigeria £’000	Energy Institute Singapore £’000	Total 2015 £’000	Total 2014 £’000
Turnover	49	31	-	80	125
Cost of sales	(41)	(17)	-	(58)	(117)
Gross profit	8	14	-	22	8
Admin/other costs	(9)	(25)	-	(34)	(19)
Trading profit/(loss)	(1)	(11)	-	(12)	(11)
Other income	-	-	2	2	13
Net income/ (outgoings)	(1)	(11)	2	(10)	2
Amount payable by qualifying charitable donation to Energy Institute	-	-	-	-	-
Retained profit/(loss) for year	(1)	(11)	2	(10)	2
Retained profit brought forward	16	16	-	32	30
Retained profit carried forward and net assets	15	5	2	22	32

Notes on the financial statements**Note 8 - Tangible fixed assets (Group and Charity)**

	Leasehold Premises £'000	Building improvements £'000	Furniture & Equipment £'000	Total £'000
a) Cost				
Cost at 1 January 2015	4,250	329	382	4,961
Additions	-	1,587	190	1,777
Cost at 31 December 2015	4,250	1,916	572	6,738
b) Depreciation				
Depreciation at 1 January 2015	425	45	330	800
Charge for the year	37	7	40	84
Depreciation at 31 December 2015	462	52	370	884
Net book value at 31 December 2015	3,788	1,864	202	5,854
Net book value at 31 December 2014	3,825	284	52	4,161

The lease on the premises at 61 New Cavendish Street has 943 years to run until its expiry. On 17 September 2002, Jeremy James & Company, estate agents, provided a valuation report on an open market value basis on the premises at 61 New Cavendish Street and valued the premises at £4,250,000. This was the effective cost of the lease when it was transferred to the Energy Institute on 1 July 2003. Depreciation is based on the amount attributable to the building of £3,700,000.

Capital Commitments

The refurbishment of 61 New Cavendish Street started in February 2015 and is due to complete in March 2016. £1.7m was spent in 2015, the capital commitment at 31 December 2015 is £704,000 (2014: none).

Note 9 – Investments (Group and Charity)

Alpha Common Investment Fund	£
Market values	
1 January 2015	3,636,616
Unrealised loss	(453)
31 December 2015	3,636,163
Historical cost	
1 January 2015	3,097,404
31 December 2015	3,097,404

Unlisted investments

The Energy Institute has a one third equity interest, represented by 1,000 fully paid ordinary shares of £1, in Petroleum Geology Conferences Limited, which was established in 1999. During the year Petroleum Geology Conferences Limited held its eighth conference on 28 September 2015.

Notes on the financial statements

Note 10 – Debtors (Group and Charity)

	2015 £'000	2014 £'000
Trade debtors	840	755
Prepayments and accrued income	270	298
Other debtors	56	78
	1,166	1,131

Note 11 – Creditors (Group and Charity)

Amounts falling due within one year

	2015 £'000	2014 £'000
Bank loans	124	-
Trade creditors	77	387
Taxation & social security	210	133
Accruals	315	226
Subscriptions received in advance	488	332
Other amounts received in advance	496	434
	1,710	1,512

All amounts received in advance relate to the subsequent financial year and are released to income in that year.

Note 12 – Creditors (Group and Charity)

Amounts falling due in more than one year

	2015 £'000	2014 £'000
Bank loans	614	-
	614	-

During the year the Energy Institute secured a loan of £750,000 towards the completion of the refurbishment works. £500,000 is a 5 year fixed term loan and £250,000 is a 5 year variable rate loan.

Note 13 - Retirement Benefits

Stakeholder contributions

The Energy Institute operates defined contribution stakeholder pension arrangements for employees. Employer contributions made during the period in respect of 56 employees were £57,000 (2014: 22 employees - £43,000).

Defined benefit pension scheme

The Energy Institute operates a defined benefit pension scheme, the Energy Institute Pension and Dependents Benefits Plan which has 8 active members. The scheme funds are administered by Trustees and are independent of the Energy Institute's finances. Contributions are paid to the scheme in accordance with the recommendations of an independent actuarial adviser. Details in respect of the scheme are provided overleaf. The benefits have been valued by projecting forward the results from the FRS102 disclosures, as at 31 December 2015, making adjustments to reflect benefits paid out of the Plan, additional accrual and differences between the assumptions used at this year-end and those at the previous year-end. The value of the defined benefit liabilities has been measured using the projected unit method. The full actuarial valuation as at 1 January 2014 showed a surplus of £136,000.

Notes on the financial statements

Note 13 - Retirement Benefits (continued)

Movement in assets during the period

	31 December 2015 <i>% a year</i>	31 December 2014 <i>% a year</i>
Financial assumptions		
Discount rate	3.8%	3.6%
Retail Price Inflation	3.0%	3.0%
Consumer Price Inflation	2.0%	2.0%
Salary growth	2.0%	2.0%
Rate of increases to pensions in payment		
– Price inflation (CPI) subject to a maximum of 2.5% p.a.	1.6%	1.6%
– Price inflation (CPI) subject to a maximum of 3% p.a.	1.7%	1.7%
– Price inflation (CPI) subject to a maximum of 5% p.a.	2.1%	2.1%
– Price inflation (CPI) subject to a maximum of 5% p.a. and a minimum of 3% p.a.	3.2%	3.2%
Rate of early leavers revaluation		
GMP - Pension in excess of GMP		
Price inflation (CPI) subject to a maximum of 2.5% p.a.	2.0%	2.0%
Price inflation (CPI) subject to a maximum of 5% p.a.	2.0%	2.0%
Demographic assumptions		
Mortality after retirement		
- Base table	S1PA series year of birth (YOB) tables	S1PA series year of birth (YOB) tables
- Future improvements	CMI_2013_M/F (1%)	CMI_2013_M/F (1%)
Allowance for cash commutation	Pension will be commuted on cost-neutral terms	Pension will be commuted on cost-neutral terms
Withdrawals	No allowance	No allowance

Assumed life expectancy at aged 60

	Males	Females	Males	Females
Current pensioners	26.8 years	29.1 years	26.7 years	29.0 years
Retiring in 20 years	28.3 years	30.7 years	28.2 years	30.6 years

	31 December 2015 £'000	31 December 2014 £'000
Analysis of the change in assets over the period		
Assets at beginning of period	7,205	6,491
Expected return on scheme assets	256	297
Actuarial gain	(179)	563
Employer contributions	96	77
Employee contributions	20	20
Benefits paid	(308)	(243)
Assets at end of period	7,090	7,205
Actual return on assets	78	860

Notes on the financial statements
Note 13 - Retirement Benefits (continued)

The scheme assets are invested in an insurance policy with Legal & General.

Asset Allocation	31 December 2015	31 December 2014
Equities	35%	35%
Bonds	40%	38%
Gilts	21%	24%
Cash	4%	3%

Analysis of the change in liabilities over the period	31 December 2015 £'000	31 December 2014 £'000
Liabilities at beginning of period	7,005	6,108
Current service cost	137	86
Past service cost	-	-
Interest cost on scheme liabilities	249	282
Actuarial loss/(gain)	(300)	752
Employee contributions	20	20
Benefits paid	(308)	(243)
Liabilities at end of period	6,803	7,005

Pension expense

Analysis of the amount charged to operating profit	31 December 2015 £'000	31 December 2014 £'000
Current service cost	137	86

The Scheme is closed to new entrants. As a result the age profile of the active members will tend to rise and under the projected unit method the current service cost will tend to increase with time.

Interest on net defined benefit liability	31 December 2015 £'000	31 December 2014 £'000
Net gain/(cost)	6	15
Prior year FRS102 adjustment	(5)	-
	1	15

Amount recognised in the Statement of Financial Activities

Actuarial (loss)/gain	122	(188)
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Amounts for the current and previous four periods	31/12/2015 £'000	31/12/2014 £'000	31/12/2013 £'000	31/12/2012 £'000	31/12/2011 £'000
Scheme Liabilities	6,803	7,005	6,108	5,918	5,510
Scheme Assets	7,090	7,205	6,491	6,318	5,953
Prior year FRS102 adjustment	-	5	5	-	-
Excess/(Shortfall)	287	205	388	400	443
Experience adjustment on Scheme assets gain/(loss)	(179)	563	39	334	13
Experience adjustment on Scheme liabilities gain/(loss)	44	56	0	(27)	9

Notes on the financial statements
Note 14a - Group Reserves

	1 January 2015	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2015
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	1,578	5,628	(5,745)	78	1,539
<i>Pension reserve</i>	205	-	1	81	287
	1,783	5,628	(5,744)	159	1,826
<i>Designated reserves</i>					
UK WEC reserve	37	-	-	(37)	-
UK WPC reserve	-	6	-	-	6
Property reserve	3,825	-	(37)	-	3,788
Building project reserve	1,250	-	(52)	-	1,198
	5,112	6	(89)	(37)	4,992
Total unrestricted reserves	6,895	5,634	(5,833)	122	6,818
Restricted reserves					
Partner technical projects	1,936	1,022	(1,015)	-	1,943
Shell hearts and minds	320	105	(56)	-	369
General prize fund	60	1	(5)	-	56
Benevolent fund	375	12	(11)	-	376
Building refurbishment fund	220	103	(6)	-	317
Total restricted reserves	2,911	1,243	(1,093)	-	3,061
Total Reserves	9,806	6,877	(6,926)	122	9,879

Note 14b - Charity Reserves

	1 January 2015	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2015
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	1,545	5,548	(5,654)	78	1,517
<i>Pension reserve</i>	205	-	1	81	287
	1,750	5,548	(5,653)	159	1,804
<i>Designated reserves</i>					
UK WEC reserve	37	-	-	(37)	-
UK WPC reserve	-	6	-	-	6
Property reserve	3,825	-	(37)	-	3,788
Building project reserve	1,250	-	(52)	-	1,198
	5,112	6	(89)	(37)	4,992
Total unrestricted reserves	6,862	5,554	(5,742)	-	6,796
Restricted reserves					
Partner technical projects	1,936	1,022	(1,015)	-	1,943
Shell hearts and minds	320	105	(56)	-	369
General prize fund	60	1	(5)	-	56
Benevolent fund	375	12	(11)	-	376
Building refurbishment fund	220	103	(6)	-	317
Total restricted reserves	2,911	1,243	(1,093)	-	3,061
Total Reserves	9,773	6,797	(6,835)	122	9,857

Notes on the financial statements

Designated reserves

UK WEC: The Energy Institute has ceased participation in UKWEC activities, therefore the surpluses generated have been transferred to unrestricted general reserves.

UK WPC: Some income generated from UK WPC activities is allocated to build reserves which can support participation in the WPC Youth Committee and other WPC or UK WPC activities.

Property: represents the funds which are invested in the Institute's property

Building project: Consists of funds designated for the building refurbishment.

Restricted reserves

Partner technical projects: Funds provided specifically for projects advancing scientific and technical knowledge relating to health, safety, environment and standards relating to the energy industry.

Shell hearts and minds: The Energy Institute sells the Hearts and Minds toolkit on behalf of Shell Exploration and Production Ltd, any surplus is held for future investment in the development of the toolkit and related Human Factors projects.

General prize fund; The objects include:

The furtherance of education in the field of the science of energy and fuels by the award of prizes, the provision of grants, the funding of exhibitions and seminars, the provision of continuing professional education and the provision of scholarships.

Benevolent fund: The fund provides assistance for the benefit of deserving members of the Energy Institute and their dependants to improve quality of life and provide educational opportunities.

Building refurbishment fund: This fund includes donations received for the building refurbishment project.

Note 15a – Group Net assets by fund

The various group reserves are represented by the Energy Institute's assets and liabilities as summarised below:

	Tangible fixed & investment assets	Net current assets	Creditors: falling due after more than 1 year	Pension surplus	31-Dec-15
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserve	1,566	587	(614)	-	1,539
Pension reserve	-	-	-	287	287
Designated property reserve	4,992	-	-	-	4,992
	6,558	587	(614)	287	6,818
Restricted reserves	2,931	130	-	-	3,061
Total	9,489	717	(614)	287	9,879

Note 15b – Charity Net assets by fund

The various charity reserves are represented by the Energy Institute's assets and liabilities as summarised below:

	Tangible fixed & investment assets	Net current assets	Creditors: falling due after more than 1 year	Pension surplus	31-Dec-15
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserve	1,566	565	(614)	-	1,517
Pension reserve	-	-	-	287	287
Designated property reserve	4,992	-	-	-	4,992
	6,558	565	(614)	287	6,796
Restricted reserves	2,931	130	-	-	3,061
Total	9,489	695	(614)	287	9,857

Note 16a – Prior year comparative SOFA

Consolidated Statement of Financial Activities for the year ended 31 December 2014
(Including consolidated income and expenditure)

	2014 Unrestricted General reserves £'000	2014 Designated reserve £'000	2014 Restricted reserves £'000	2014 Total reserves £'000
Income:				
<i>Income from charitable activities:</i>				
Members' subscriptions	1,520	-	-	1,520
Charitable activities	4,055	-	1,467	5,522
	5,575	-	1,467	7,042
Donations	-	-	251	251
Investments	126	-	-	126
Total income	5,701	-	1,718	7,419
Expenditure:				
Charitable activities	5,756	37	1,004	6,797
Total expenditure	5,756	37	1,004	6,797
Net gains on investments	77	-	22	99
Net income/ (expenditure)	22	(37)	736	721
Transfers between funds	(500)	500	-	-
Other recognised gains/ (losses):				
Actuarial gains/(losses) on Pension Plan	(188)	-	-	(188)
Net movement in funds	(666)	463	736	533
Reconciliation of funds:				
Total funds brought forward	2,449	4,649	2,175	9,273
Total funds carried forward	1,783	5,112	2,911	9,806

Note 16b – prior year comparative SOFA**Charity Statement of Financial Activities for the year ended 31 December 2014
(Including income and expenditure account)**

	2014 Unrestricted General reserves £'000	2014 Designated reserve £'000	2014 Restricted reserves £'000	2014 Total reserves £'000
Income:				
<i>Income from charitable activities:</i>				
Members' subscriptions	1,520	-	-	1,520
Charitable activities	3,930	-	1,467	5,397
	5,450	-	1,467	6,917
Donations	-	-	251	251
Investments	126	-	-	126
Total income	5,576	-	1,718	7,294
Expenditure:				
Charitable activities	5,634	37	1,004	6,675
Total expenditure	5,634	37	1,004	6,675
Net gains on investments	77	-	22	99
Net income/ (expenditure)	19	(37)	736	718
Transfers between funds	(500)	500	-	-
Other recognised gains/ (losses):				
Actuarial gains/(losses) on Pension Plan	(188)	-	-	(188)
Net movement in funds	(669)	463	736	530
Reconciliation of funds:				
Total funds brought forward	2,419	4,649	2,175	9,243
Total funds carried forward	1,750	5,112	2,911	9,773

Note 17 – Post balance sheet events

There were no post balance sheet events

Note 18 – Related party transactions

The Energy Institute has a one third interest in the ordinary shares of Petroleum Geology conferences Limited, a company incorporated in England and Wales. During the year the company gift aided profits of £40,000 to the Institute. At the balance sheet date the company owed a balance of £2,000 (2014: £17,000) to the Energy Institute.

The Energy Institute has taken advantage of the exemption under FRS 102 paragraph 33.1A to not disclose transactions entered into between wholly owned members of the same group.