



**Annual Report of the Council and
Financial Statements for the year ended
31 December 2016**

Registered charity number 1097899

Council, Officers and Committee Chairs

Council and Officers

President

Prof Jim Skea CBE FEI

President Elect

Malcolm Brinded CBE FREng FEI

Vice-Presidents

Dr Bernard Bulkin FEI
 Dr Vivienne Cox CBE FEI
 Steve Holliday FREng FEI
 Dr Ceri Powell 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 FEI
 Prof John Currie CEng FEI
 Dr Boma Douglas CEng MEI
 Carl D. Hughes FCA FEI
 James MacRae FEI
 Nicola Murphy
 Jaz Rabadia MBE 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

HR

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 DChA

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 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

61 New Cavendish Street, London W1G 7AR, UK
 t: +44 (0) 20 7467 7100
 e: info@energyinst.org
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 2016

Council presents its Report and the Financial Statements for the year ended 31 December 2016.

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) 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 Dr Vivienne Cox CBE FEI, Prof John Currie CEng FEI, Dr Boma Douglas CEng MEI, Mr Steve Holliday FREng FEI, Dr Ceri Powell FEI who were appointed to Council at the AGM on 28 June 2016. The following retired from Council at the AGM on 28 June 2016: Mr Ian Marchant FEI, and Eur Ing Lawrence Power CEng FEI.

Members of the Council are also the trustees in accordance with charity law and provide strategic direction for the Charity. Trustees are appointed and elected via various routes and all new members undergo a comprehensive induction 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:

With the building refurbishment complete, the risk of disruption to business continuity due to building work has decreased but general threats to cyber security remain a risk. The government reports a high percentage of UK organisations being affected by breaches of cyber security. To ensure we identify the risks, a cyber security risk assessment is necessary to

identify the gaps and determine actions to close those gaps. It will also ensure that we invest time and funds in the right areas by putting good practice in place to mitigate risk.

Economic challenges are still affecting the energy industry and this has had a direct impact on the EI's membership subscriptions and income from charitable activities. The EI maintains controls and awareness with good budget monitoring systems in place. The senior management team places high importance on maintaining a good relationship with the EI's members by showing the value they receive and the good work the EI is contributing to the Industry, the members and the wider public in these challenging times.

The EI sees it as a priority to ensure that it adheres to the objects of the Royal Charter. The Code of Governance is also regularly reviewed to ensure compliance. Strategic aims are agreed by Council every three to four years and annual business plans are set and agreed to ensure that the activities of the EI contribute towards meeting the strategic aims and the objects of the Charity.

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 2016, the EI completed the refurbishment of its premises to provide improved facilities for its members, visitors and staff to access, develop and share energy knowledge for public good. It also saw the influence of its annual Energy Barometer report increase in giving a voice to energy professionals and reaching out to energy industry stakeholders and other publics. Through these and following highlights, the EI has continued to fulfil the strategic aims throughout the year.

Developing and sharing energy knowledge to improve understanding

The EI's reputation as a source of expert knowledge and platform for debate was enhanced in 2016 with the publication of the second Energy Barometer report capturing the views of EI members on a range of current issues affecting the energy industry. The report received unprecedented media coverage and was presented to parliamentarians and policymakers

as its key audience in informing policy. Its findings stimulated high profile debates, notably on the impact of the UK leaving the EU on the sector, and markedly increased engagement with the EI's wider publics.

Another major event in support of the EI's strategic aim of sharing energy knowledge for the benefit of society was the hosting in June of the second Energy Systems Conference in partnership with Elsevier. This two-day conference brought together over 300 key industry stakeholders from research, academia, industry and policy to explore the most efficient ways to develop a sustainable energy system, as well as examine the impact of global drivers such as climate change commitments and resource constraints. This was in addition to the annual programme of conferences and debates held throughout the year to promote the sharing of experience and insights among energy professionals, featuring notably International Petroleum Week and the series of EI Energy Policy Debates. IP Week 2016 featured prestigious speakers including Rosneft's Igor Sechin, Patrick Pouyanné, Chairman and CEO, Total, Bob Dudley FEI, Group Chief Executive BP and Professor Sir David King FRS HonFEI, who also contributed a separate lecture on COP21 as the recipient of the EI's 2016 Melchett Award. These events, as well as those organised by the EI's growing network of branches, enabled widespread sharing of expertise across a range of topics, further establishing the EI as a key player in thought-leadership on all aspects of energy around the world.

Ensuring access to authoritative energy information is a core element of the EI's charitable purpose and this was enhanced in 2016 with important developments in the online delivery of energy knowledge. The EI magazines Energy World and Petroleum Review were given a new online home on the EI's knowledge website to offer a more user-friendly, intuitive and versatile platform for editorial content, that also better integrates it with the growing catalogue of online collections and data available on that particular website. There are now nine specially-curated online collections available to visitors, ranging from offshore wind to road fuels, energy management, aviation and refining.

Supporting energy professionals and delivering the skills needed

Inspiring a new and diverse generation of energy professionals and supporting them in gaining the skills and experience needed by industry to deliver a sustainable and affordable energy system to society has always been a major part of the EI's work.

In 2016, the EI's Young Professionals Network (YPN) – created in 2012 to provide young people with a networking group around the EI branch network – has been particularly active in organising events and technical visits. For example, the London and Home Counties YPN held its first full day conference featuring ten speakers sharing their aspirational stories, not only in the energy industry but also within the wider community, whilst the North Eastern Branch YPN took members to the Drax Power Station. Stimulated by the success of existing YPNs, more EI branches have set up YPNs in their region and the total number of YPNs has now risen to seven.

Alongside the YPNs, the EI's branch network is also growing, especially internationally, enabling the EI to support its members and the energy community globally. There are now four international branches supported by dedicated EI directors, with the development of EI Singapore alongside EI Middle East, EI Nigeria and EI Malaysia, delivering events and professional development services for local members. Meanwhile, volunteer-driven branches in the Republic of Ireland (ROI) and Hong Kong continue to thrive in support of energy professionals in these regions. EI ROI in particular fully embraced the EI's values and purpose with the launch of an interactive knowledge website, Ireland2050, that looks at the Irish energy industry past and present and enables users to foresee the future using a calculator adapted from DECC's My2050 tool to the Irish energy scene. The branch engaged directly with a local school to encourage them to use the calculator tool and help them understand the value of energy in society and the challenges faced by the industry. EI ROI was praised by the Irish government for its leadership role in developing Ireland2050.

Meanwhile, the EI's promotion of continuing professional development was galvanised in Nigeria with the launch of the branch's CPD programme and mentoring scheme. This initiative provides a structured curriculum to develop individual competencies and to ensure adherence to professional standards and offers courses on energy management, finance, technical and soft skills.

Whilst the EI continues to extend its international reach, it has also been strengthening its pledge to promote diversity in the industry, hosting a high profile roundtable discussion under the POWERful Women initiative chaired by US Deputy Secretary of Energy, Dr Elizabeth Sherwood-Randall and EI's Chief Executive, Louise Kingham OBE FEI to discuss the importance of women in the energy industry. It has also seen its nominee Clare Lavelle CEng MEI Chartered Energy Engineer win the prestigious 2016 Karen Burt Award, ran by the Women's Engineering Society, which recognises the year's best newly qualified female Chartered Engineer. As a result of her achievement, Clare featured on BBC Radio 4 Woman's Hour and shared her passion for engineering and working in the energy sector with millions of listeners.

All these activities were in addition to the continuing delivery of training courses across all aspects of energy and professional recognition of energy professionals across a wide range of disciplines, to ensure that the industry can draw from a skilled energy workforce to meet society's energy needs.

Driving up standards, promoting excellence in practice

The EI enjoys a decades-old reputation as an honest broker in promoting good practice in the global energy industry. This is particularly achieved through its pan-industry, self-regulating technical programme, which generates guidance documents to support industry operators notably on health and safety issues. In 2016, the EI published a record of over 50 publications covering topics such as petroleum product storage and distribution, health, environment, testing methodology, measurement, human factors, process safety and asset integrity. An independent study carried out last year has valued the technical programme to bring a return on investment of between 35/1 and 140/1 through safety and efficiency improvements to EI partner's operations.

The EI also actively promotes good practice in industry around environmental responsibility and energy management. This was reflected in 2016 in the development of a web-based training package on environmental awareness for the oil and gas industry, covering issues such as regulatory requirements, good practice for environmental management and atmospheric emissions, alongside the launch of a video to raise awareness of environmental hazards and improve prevention of spills. Additionally, the EI entered into a partnership with SGS to deliver courses promoting implementation of the ISO50001 standards and hosted a conference on energy management as part of the UK Government's 'International Festival for Business' Energy and Environment week. Finally, the EI completed the refurbishment of its London home which feature a range of energy efficiency measures being applied to a Grade II* listed building, positioning the EI as an exemplar in the retrofitting of older buildings towards greater energy efficiency.

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 2016, net of management fees, was 10.7% against a benchmark of 16.6% and compared with the ARC steady growth charity index of 12.6%. 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 income of £7,136,000 and expenditure of £7,175,000. There was net expenditure of £7,000 in the general unrestricted reserve. After taking account of movements on restricted reserves and the designated reserves, this resulted in a net income of £220,000. Actuarial losses of £476,000 on the pension scheme contributed to a net deficit in funds of £256,000 for the year.

At the end of 2016 the EI group had net assets of £9,623,000, analysed in the balance sheet set out on page 10. The primary asset is the long leasehold of premises at 61 New Cavendish Street and the recent refurbishment it undertook.

Listed investments plus cash and bank deposits totalled £4,754,000 at the end of 2016, sufficient to meet the EI's obligations to creditors and restricted funds. There was a decrease in the surplus on the pension plan from 2015 of £497,000, reflected in the balance sheet under Financial Reporting Standard 102 as a £210,000 deficit.

Operational reserves

The Energy Institute's consolidated free reserves at 31 December 2016 totalled £455,000, representing total unrestricted funds of £6,601,000 less those held in tangible fixed assets of £6,321,000, those designated for particular projects or purposes of £35,000 and excluding the pension reserve of £210,000. The Council has reviewed the level of free reserves required by the Institute and considered the following:

- The Institute is budgeting a break even budget in 2017 and has a history of ensuring that unrestricted income is sufficient to cover committed costs;
- Cash flow forecasts highlight the cyclical pattern where the Institute is cash rich early in the year and then utilises those cash reserves over the course of the year;
- The Institute holds over £3m of liquid investments, the majority of which represent restricted project funding. This core level of investments is unlikely to change significantly in value as amounts utilised are replaced with new amounts received plus the fund is a combination of a large number of individual amounts rendering the likelihood of all being required at once being highly unlikely. Accordingly, the investments provide a risk fund that reduces the amount of free reserves that the Institute would otherwise require.

On the basis of the factors noted above the Council has set a policy level of free reserves of between £250,000 and £500,000. A strategic financial planning exercise has been initiated by the Council which will include determining any need for project based finance and consideration of financial risks and opportunities. A revision to the current reserves policy is aimed to be completed before the end of the 2017 financial year.

The current levels and explanations of the purposes for designated funds are described in note 14 to the accounts.

Future plans

During 2016 the Trustees led a review of the EI's ambition, purpose, strategy and values which included consultation with members, volunteers, staff and external stakeholders. The ambition and values were developed and with the purpose staying largely consistent, promoting knowledge skills and good practice remained at the core. However, discussion around the EI's external influences and drivers meant three new cross-cutting themes emerged from the review to direct business as usual and stimulate new activities. These three themes were international growth, policy and public engagement and supporting the transition to a lower carbon world.

In the immediate future, the EI's core business activities will align with these themes; the launch of the third Energy Barometer Survey, the development of a new EI Branch in the Caribbean, the hosting of a high level Health and Safety Forum in the Middle East and the implementation of a 100-day Behaviour Change Challenge bringing together energy managers, psychologists, change specialists and end user organisations to establish energy efficiency schemes, underpinned by behavioral psychology, in businesses to name but a few of the activities planned. For full details for future activities please visit www.energyinst.org

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.

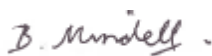
Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the EI and to enable it to ensure that the financial statements comply with the Royal Charter and the Charities Acts. Council is also responsible for safeguarding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

Auditor

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



Prof Jim Skea CBE FEI
President



Belinda Mindell FCA FEI
Honorary Treasurer

20 April 2017

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 2016, which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated and Charity Cash Flow Statements 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 trustees, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 parent charity's affairs as at 31 December 2016 and of the group's and the parent charity's 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.



haysmacintyre
Chartered Accountants
Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

20 April 2017

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 2016
(Including consolidated income and expenditure)

		2016	2016	2016	2016	2015
		Unrestricted		Restricted	Total	Total
	Note	General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000	reserves £'000
Income:						
<i>Income from charitable activities:</i>						
Members' subscriptions		1,518	-	-	1,518	1,526
Charitable activities		3,926	106	1,463	5,495	5,124
	3	5,444	106	1,463	7,013	6,650
Donations		-	-	-	-	104
Investments		111	-	12	123	123
Total income		5,555	106	1,475	7,136	6,877
Expenditure:						
Charitable activities		5,795	156	1,224	7,175	6,926
Total expenditure	4	5,795	156	1,224	7,175	6,926
Net gains on investments	9	233	-	26	259	-
Net (expenditure)/income		(7)	(50)	277	220	(49)
Transfers between funds		(1,098)	1,414	(316)	-	-
Other recognised (losses)/gains:						
Actuarial (losses)/gains on Pension Plan	13	(476)	-	-	(476)	122
Net movement in funds		(1,581)	1,364	(39)	(256)	73
Reconciliation of funds:						
Total funds brought forward		1,826	4,992	3,061	9,879	9,806
Total funds carried forward	14a	245	6,356	3,022	9,623	9,879

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 2016
(Including income and expenditure account)

		2016	2016	2016	2016	2015
		Unrestricted		Restricted	Total	Total
	Note	General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000	reserves £'000
Income:						
<i>Income from charitable activities:</i>						
Members' subscriptions		1,510	-	-	1,510	1,522
Charitable activities		3,826	106	1,463	5,395	5,048
	3	5,336	106	1,463	6,905	6,570
Donations		-	-	-	-	104
Investments		111	-	12	123	123
Total income		5,447	106	1,475	7,028	6,797
Expenditure:						
Charitable activities		5,712	156	1,224	7,092	6,835
Total Expenditure	4	5,712	156	1,224	7,092	6,835
Net gains on investments	9	233	-	26	259	-
Net (expenditure)/income		(32)	(50)	277	195	(38)
Transfers between funds		(1,098)	1,414	(316)	-	-
Other recognised (losses)/ gains:						
Actuarial (losses)/gains on Pension Plan	13	(476)	-	-	(476)	122
Net movement in funds		(1,606)	1,364	(39)	(281)	84
Reconciliation of funds:						
Total funds brought forward		1,804	4,992	3,061	9,857	9,773
Total funds carried forward	14b	198	6,356	3,022	9,576	9,857

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 2016

	Note	Group 2016 £'000	Group 2015 £'000 (Restated)	Charity 2016 £'000	Charity 2015 £'000 (Restated)
Fixed assets:					
Tangible assets	8	6,321	5,854	6,321	5,854
Investments	9	3,893	3,635	3,893	3,635
Total fixed assets		10,214	9,489	10,214	9,489
Current assets:					
Debtors	10	2,195	2,427	2,195	2,427
Short term deposits		116	215	116	215
Bank and cash		745	1,046	698	1,024
Total current assets		3,056	3,688	3,009	3,666
Liabilities:					
Amounts falling due within one year	11	(2,979)	(2,971)	(2,979)	(2,971)
Net current assets		77	717	30	695
Total assets less current liabilities		10,291	10,206	10,244	10,184
Creditors: falling due after more than 1 year	12	(458)	(614)	(458)	(614)
<i>Net assets excluding pension (liability)/asset</i>		9,833	9,592	9,786	9,570
Pension Plan (deficit)/surplus	13	(210)	287	(210)	287
Total net assets		9,623	9,879	9,576	9,857
The funds of the charity:					
<i>Unrestricted reserves</i>					
General reserve	14	455	1,539	408	1,517
Pension reserve		(210)	287	(210)	287
Designated reserves		6,356	4,992	6,356	4,992
		6,601	6,818	6,554	6,796
<i>Restricted reserves</i>	14	3,022	3,061	3,022	3,061
Total group and charity funds		9,623	9,879	9,576	9,857

These financial statements were approved and authorised for issue by Council on 20 April 2017 and signed on its behalf by:



Prof Jim Skea CBE FEI
President



Belinda Mindell FCA FEI
Honorary Treasurer

Cash flow Statement for the year ended 31 December 2016	Group	Group	Charity	Charity
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net movement in funds for the reporting period (as per the statement of financial activities)	220	(49)	195	(38)
(Gains)/losses on investments	(259)	-	(259)	-
Investment income	(123)	(123)	(123)	(123)
Depreciation of tangible fixed assets	70	84	70	84
Decrease/(increase) in debtors	232	(35)	232	(35)
(Decrease)/increase in creditors	(5)	74	(5)	74
Non-cash operating movement in pension scheme asset	21	41	21	41
Net cash provided by/ (used in) operating activities	156	(8)	131	3
Cash flows from investing activities:				
Investment income	123	123	123	123
Payments to acquire tangible fixed assets	(536)	(1,777)	(536)	(1,777)
Net cash used in investing activities	(413)	(1,654)	(413)	(1,654)
Cash flows from financing activities:				
Repayments of borrowing	(143)	(12)	(143)	(12)
Cash inflows from new borrowing	-	750	-	750
Net cash (used in)/ provided by financing activities	(143)	738	(143)	738
Change in cash and cash equivalents in the year	(400)	(924)	(425)	(913)
Cash and cash equivalents at the beginning of the year	1,261	2,185	1,239	2,152
Cash and cash equivalents at the end of the year	861	1,261	814	1,239

Group analysis of cash and cash equivalents	1 January 2016	Cash flow	31 December 2016
	£'000	£'000	£'000
Cash at bank and in hand	1,046	(301)	745
Short term deposits	215	(99)	116
Total cash and cash equivalents	1,261	(400)	861
Charity analysis of cash and cash equivalents	1 January 2016	Cash flow	31 December 2016
	£'000	£'000	£'000
Cash at bank and in hand	1,024	(326)	698
Short term deposits	215	(99)	116
Total cash and cash equivalents	1,239	(425)	814

Notes on the financial statements

Note 1 - Accounting Policies

a) General information

The Energy Institute is a body incorporated by Royal Charter and is a charity registered with the Charity Commission (charity registration no. 1097899). The registered office address is 61 New Cavendish Street, London W1G 7AR.

b) 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).

The Energy Institute meets the definition of a public benefit entity under FRS 102.

c) Basis of consolidation

The institute's branches in 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 financial statements of the 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.

d) Going concern

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

e) 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.

The Energy Institute generally raises invoices for the following financial year's membership fees and other agreed projects before the balance sheet date. The Energy Institute has previously netted off the resulting amounts due and related deferred income in respect of technical partners. The trustees consider that presenting these balances separately is a truer and fairer presentation and have adopted this in the current year and have restated the comparative figures accordingly. This has resulted in an increase in trade debtors and deferred income in the previous year of £1,261,000. This has not impacted on the net result or current and net assets reported in the previous year.

f) 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.

Notes on the financial statements

Note 1 - Accounting Policies (continued)

g) 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 improvements	1.0% per annum
Plant and equipment	5.0% per annum
Fixtures and fittings	20.0% per annum
ICT assets	33.3% per annum

The trustees have undertaken a review of the categorisation, depreciable amounts and useful economic lives of tangible fixed assets following the completion of the refurbishment works. It was concluded that no further depreciation expense should be recognised in respect of the leasehold premises as any provision would not be material to the accounts due to its very long useful economic life and high residual value. Previously the premises were being depreciated over 100 years. This change in measurement has meant a decrease in the depreciation charge for the year of £37,000.

h) 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.

i) 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.

j) 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.

k) 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.

l) 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.

m) Foreign currency translation

The Energy 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.

Notes on the financial statements

Note 1 - Accounting Policies (continued)

n) 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.

Note 3 - Incoming resources from charitable activities

	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
Membership subscriptions	1,518	1,526	1,510	1,522
Knowledge sharing activities	1,734	1,961	1,734	1,961
Skills development activities	946	1,004	846	928
Good practice activities	2,735	2,123	2,735	2,123
Other	80	36	80	36
	7,013	6,650	6,905	6,570

Note 4 – Expenditure on charitable activities

	Direct costs Staff £'000	Direct costs Other £'000	Support costs £'000	2016 Total £'000	2015 Total £'000
Good practice activities	802	1,750	333	2,885	2,517
Knowledge sharing activities	797	825	445	2,067	2,196
Skills development activities	705	826	222	1,753	1,726
Communications	163	113	111	387	396
Charity total	2,467	3,514	1,111	7,092	6,835
Charitable expenditure in subsidiaries	-	83	-	83	91
Group total	2,467	3,597	1,111	7,175	6,926

Notes on the financial statements

Note 5 – Analysis of support costs

	2016	2015
	£'000	£'000
Support staff costs	687	524
Building facilities and services	184	222
Management & Human Resources	77	85
Finance	56	34
Information Technology	107	75
	<hr/> 1,111	<hr/> 940

Included in support costs are governance costs relating to:

Auditor's remuneration	14	15
Actuarial	3	2
Legal and consultancy	5	6
Salaries	5	5
Other	10	12
	<hr/> 37	<hr/> 40

Note 6 – Staff costs

Salaries	2,408	2,372
Social security	259	235
Pensions	156	152
Redundancy	46	-
Other staff related costs	285	208
	<hr/> 3,154	<hr/> 2,967

The average number of employees was 67 (2015: 67).

The following numbers of staff have salaries above £60,000:	2016	2015
Between £60,000-£70,000	4	3
Between £70,001-£80,000	-	1
Between £80,001-£90,000	2	1
Between £110,001-£120,000	1	1

Number of staff included above for whom retirement benefits are accruing under:

Defined benefit plan	4	3
Stakeholder Scheme	3	3

Pension contributions paid in respect of these individuals totalled £71,583 (2015: £58,201).

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 (2015: no trustees). Trustees' expenses for travel and accommodation reimbursed during the year amounted to £3,237 (2015: £4,352) in respect of 3 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 £514,577 (2015: £488,447).

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.

Notes on the financial statements
Note 7 – Subsidiary undertakings (continued)

Trading subsidiaries' results	Energy Institute Hong Kong (branch) Ltd £'000	Energy Institute Nigeria £'000	Energy Institute Singapore £'000	Total 2016 £'000	Total 2015 £'000
Turnover	55	64	-	119	80
Cost of sales	(63)	(4)	-	(67)	(58)
Gross profit	(8)	60	-	52	22
Admin/other costs	(6)	(33)	(4)	(43)	(34)
Trading profit/(loss)	(14)	27	(4)	9	(12)
Other income	-	12	5	17	2
Net income/ (outgoings)	(14)	39	1	26	(10)
Amount payable by qualifying charitable donation to Energy Institute	-	-	-	-	-
Retained profit/(loss) for year	(14)	39	1	26	(10)
Retained profit brought forward	15	5	2	22	32
Retained profit carried forward and net assets	1	44	3	48	22

Note 8 - Tangible fixed assets (Group and Charity)

	Leasehold Premises £'000	Leasehold improvements £'000	Plant and equipment £'000	ICT, Fixtures and fittings £'000	Total £'000
a) Cost					
Cost at 1 January 2016	4,250	-	1,916	572	6,738
Transfers in the year		1,776	(1,718)	(58)	-
Additions	-	370	75	92	537
Cost at 31 December 2016	4,250	2,146	273	606	7,275
b) Depreciation					
Depreciation at 1 January 2016	462	-	52	370	884
Charge for the year	-	11	13	46	70
Depreciation at 31 December 2016	462	11	65	416	954
Net book value at 31 December 2016	3,788	2,135	208	190	6,321
Net book value at 31 December 2015	3,788	-	1,864	202	5,854

The lease on the premises at 61 New Cavendish Street has 942 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. Assets relating to the refurbishment of the leasehold premises totalling £1,776,000 have been transferred to leasehold improvements on completion of the project.

Capital Commitments

The refurbishment of 61 New Cavendish Street started in February 2015 and completed in April 2016. £370,000 was spent in 2016, the capital commitment at 31 December 2016 is £53,000 (2015: £1.7m).

Notes on the financial statements
Note 9 – Investments (Group and Charity)

Alpha Common Investment Fund	£
Market values	
1 January 2016	3,635,163
Unrealised gain	258,370
31 December 2016	3,893,533
Historical cost	
1 January 2016	3,097,404
31 December 2016	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.

Note 10 – Debtors (Group and Charity)

	2016 £'000	2015 £'000 (Restated)
Trade debtors	1,839	2,101
Prepayments and accrued income	338	270
Other debtors	18	56
	2,195	2,427

Note 11 – Creditors (Group and Charity)
Amounts falling due within one year

	2016 £'000	2015 £'000 (Restated)
Bank loans	137	124
Trade creditors	395	77
Taxation and social security	274	210
Accruals and deferred Income	2,173	2,560
	2,979	2,971

All amounts received in advance and deferred income 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

	2016 £'000	2015 £'000
Bank loans	458	614
	458	614

In 2015 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.

Notes on the financial statements

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 64 employees were £60,000 (2015: 56 employees - £57,000).

Defined benefit pension scheme

The Energy Institute operates a defined benefit pension scheme, the Energy Institute Pension and Dependants 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 2016, 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.

Movement in assets during the period

Principal actuarial assumptions	31 December 2016		31 December 2015	
	% a year		% a year	
Discount rate	2.8%		3.8%	
Retail Price Inflation	3.3%		3.0%	
Consumer Price Inflation	2.3%		2.0%	
Salary growth	2.3%		2.0%	
Rate of increases to pensions in payment				
– Price inflation (CPI) subject to a maximum of 2.5% p.a.	1.7%		1.6%	
– Price inflation (CPI) subject to a maximum of 3% p.a.	1.9%		1.7%	
– Price inflation (CPI) subject to a maximum of 5% p.a.	2.3%		2.1%	
– Price inflation (CPI) subject to a maximum of 5% p.a. and a minimum of 3% p.a.	3.5%		3.2%	
Demographic assumptions				
Mortality after retirement				
- Base table	S2PXA series year of birth (YOB) tables		S1PXA series year of birth (YOB) tables	
- Future improvements	CMI_2015_M/F (1%)		CMI_2013_M/F (1%)	
Assumed life expectancy at aged 60				
	Males	Females	Males	Females
Current pensioners	26.5 years	28.6 years	26.8 years	29.1 years
Retiring in 20 years	28.0 years	30.2 years	28.3 years	30.7 years
Changes in fair value of plan assets				
	31 December 2016		31 December 2015	
	£'000		£'000	
Opening fair value of plan assets	7,090		7,205	
Employer contributions	97		96	
Employee contributions	20		20	
Benefits paid	(260)		(308)	
Expenses paid	(27)		-	
Expected return on scheme assets	267		256	
Actuarial gain/ (losses) on assets	961		(179)	
Closing fair value of plan assets	8,148		7,090	
Actual return on plan assets	1,228		78	

The plan assets are invested in three Legal and General Investment Management funds.

Notes on the financial statements

Asset Allocation	31 December 2016	31 December 2015
Equities	43.3%	34.8%
Bonds	34.0%	39.9%
Gilts	21.5%	21.4%
Cash	0.9%	3.6%
Annuities	0.3%	0.3%

Changes in present value of defined benefit obligation	31 December 2016	31 December 2015
	£'000	£'000
Opening defined benefit obligation	6,803	7,005
Current service cost	102	137
Employee contributions	20	20
Interest cost	256	249
Benefits paid	(260)	(308)
Actuarial loss/(gain) on defined benefit obligation:		
- Impact of experience	(50)	(44)
- Impact of amended financial assumptions	1,667	(256)
- Impact of amended mortality assumptions	(180)	-
Closing defined benefit obligation	8,358	6,803

Pension expense

Analysis of the amount charged to income and expenditure	31 December 2016	31 December 2015
	£'000	£'000
Current service cost	(102)	(137)
Expenses	(27)	-
Interest on net liability	11	6
	(118)	(131)

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.

Other comprehensive income	31 December 2016	31 December 2015
	£'000	£'000
Actual less expected return on plan assets	961	(179)
Experience gains/(losses) on liabilities	50	44
Change in assumptions	(1,487)	257
Actuarial (loss)/gain recognised in OCI	(476)	122

Balance sheet position	31 December 2016	31 December 2015
	£'000	£'000
Present value of defined benefit obligation	(8,358)	(6,803)
Fair value of plan assets	8,148	7,090
Net defined benefit pension (liability)/asset	(210)	287

Notes on the financial statements
Note 14a - Group Reserves

	1 January 2016	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2016
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	1,539	5,555	(5,774)	(865)	455
<i>Pension reserve</i>	287	-	(21)	(476)	(210)
	<u>1,826</u>	<u>5,555</u>	<u>(5,795)</u>	<u>(1,341)</u>	<u>245</u>
<i>Designated reserves</i>					
UK WPC reserve	6	40	(32)	-	14
Powerful Women reserve	-	66	(54)	9	21
Fixed asset reserve	3,788	-	(70)	2,603	6,321
Building project reserve	1,198	-	-	(1,198)	-
	<u>4,992</u>	<u>106</u>	<u>(156)</u>	<u>1,414</u>	<u>6,356</u>
Total unrestricted reserves	6,818	5,661	(5,951)	73	6,601
Restricted reserves					
Partner technical projects	1,943	1,328	(1,125)	-	2,146
Shell hearts and minds	369	130	(71)	-	428
General prize fund	56	-	(13)	-	43
Benevolent fund	376	12	(9)	26	405
Building refurbishment fund	317	5	(6)	(316)	-
	<u>3,061</u>	<u>1,475</u>	<u>(1,224)</u>	<u>(290)</u>	<u>3,022</u>
Total restricted reserves	3,061	1,475	(1,224)	(290)	3,022
Total Reserves	9,879	7,136	(7,175)	(217)	9,623

Note 14b - Charity Reserves

	1 January 2016	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2016
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	1,517	5,447	(5,691)	(865)	408
<i>Pension reserve</i>	287	-	(21)	(476)	(210)
	<u>1,804</u>	<u>5,447</u>	<u>(5,712)</u>	<u>(1,341)</u>	<u>198</u>
<i>Designated reserves</i>					
UK WPC reserve	-	40	(32)	-	14
Powerful Women reserve	6	66	(54)	9	21
Fixed asset reserve	3,788	-	(70)	2,603	6,321
Building project reserve	1,198	-	-	(1,198)	-
	<u>4,992</u>	<u>106</u>	<u>(156)</u>	<u>1,414</u>	<u>6,356</u>
Total unrestricted reserves	6,796	5,553	(5,868)	73	6,554
Restricted reserves					
Partner technical projects	1,943	1,328	(1,125)	-	2,146
Shell hearts and minds	369	130	(71)	-	428
General prize fund	56	-	(13)	-	43
Benevolent fund	376	12	(9)	26	405
Building refurbishment fund	317	5	(6)	(316)	-
	<u>3,061</u>	<u>1,475</u>	<u>(1,224)</u>	<u>(290)</u>	<u>3,022</u>
Total restricted reserves	3,061	1,475	(1,224)	(290)	3,022
Total Reserves	9,857	7,028	(7,092)	(217)	9,576

Notes on the financial statements

Designated 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.

Powerful Women: Some income generated from Powerful Women activities is allocated to build reserves which can support participation in the activity.

Fixed asset reserve: represents the funds which are invested in the Institute's fixed assets and therefore not readily available to be spent.

Building project: Consists of funds designated for the building refurbishment. These funds have been transferred to the property reserve along with building development funds in other reserves.

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. These funds have been transferred to the property reserve.

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 liability	31-Dec-16
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves	879	34	(458)	-	455
Pension reserve	-	-	-	(210)	(210)
Designated reserves	6,321	35	-	-	6,356
	7,200	69	(458)	(210)	6,601
Restricted reserves	3,014	8	-	-	3,022
Total	10,214	77	(458)	(210)	9,623

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 / (liabilities)	Creditors: falling due after more than 1 year	Pension liability	31-Dec-16
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves	879	(13)	(458)	-	408
Pension reserve	-	-	-	(210)	(210)
Designated reserves	6,321	35	-	-	6,356
	7,200	22	(458)	(210)	6,554
Restricted reserves	3,014	8	-	-	3,022
Total	10,214	30	(458)	(210)	9,576

Notes on the financial statements

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. At the balance sheet date the company owed a balance of £2,000 (2015: £2,000) 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.