



**Annual Report of the Council and  
Financial Statements for the year ended  
31 December 2021**

Registered charity number 1097899

**Council, Officers and Committee Chairs**

**Council and Officers**

**President**

Steve Holliday FREng FEI

**Vice-Presidents**

Juliet Davenport OBE HonFEI

Greg Jackson FEI

The Rt. Hon Prof Charles Hendry CBE HonFEI

**Vice-President & Honorary Secretary**

Dame Vivienne Cox DBE FEI

**Honorary Treasurer**

Simardeep Soor ACA FEI

**Young Member Representative**

Sinead Obeng AMEI

**Other Members of Council**

Prof John Currie CEng FEI

Prof Robert Gross FEI

Andrew Hadland AMEI

Aleida Rios CEng FEI

Emily Spearman CEng MEI

Dr Joanne Wade OBE FEI

*Committees*

*NC*

*NC*

*NC*

*NC*

*NC, HR*

*FAC*

*NC, YPC*

*PAC*

*EAP*

*STAC*

*PAC*

**Senior Management**

**Chief Executive**

Dr Nick Wayth CEng FEI FIMechE

**Good Practice Director**

Martin Maeso CEnv MEI

**Development Director**

Marta Kozłowska MEI

**External Affairs Director**

Nick Turton FEI

**Finance Director**

Ava Longhurst DChA

**Main Committee Chairs**

**Human Resources Committee (HR)**

Dame Vivienne Cox DBE FEI

**Finance and Audit Committee (FAC)**

Simardeep Soor ACA FEI

**Professional Affairs Committee (PAC)**

Emily Spearman CEng FEI

**Scientific and Technical Advisory Committee**

(STAC) Aleida Rios CEng FEI

**Energy Advisory Panel (EAP)**

Prof Robert Gross FEI

**Nominations Committee (NC)**

President

**Young Professionals Council (YPC)**

Sinead Obeng AMEI

**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](mailto:info@energyinst.org)

[www.energyinst.org](http://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 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 LLP

10 Queen Street Place, London EC4R 1AG

**Pensions Adviser**

Morgans Ltd

41 Gay Street, Bath, BA1 2NT

## Council Report for the year ended 31 December 2021

Council presents its Report and the Financial Statements for the year ended 31 December 2021.

### 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' (Charities SORP second edition, effective 1<sup>st</sup> January 2019), 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 with the exceptions of Greg Jackson FEI and The Rt. Hon Prof Charles Hendry CBE HonFEI who were appointed to Council at the AGM on 23 June 2021. Malcolm Brinded CBE FREng FEI, Dr Bernard Bulkin OBE FEI, Michael Parker CBE FEI, Dr Ibilola Amao FEI, Dr Waddah S. Ghanem Al Hashmi FEI, Prof Simon O'Leary CEng FEI, Alastair Robertson CEng MEI, and Paul R. Smith FEI all retired from Council at the AGM on 23 June 2021.

Gender diversity is now 54%:46% female, male respectively. Ethnic diversity is now 23% (2020: 27%) of board membership.

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 Chair 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 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.

#### Regional communities and subsidiaries

The EI provides grants and administrative support and guidance to a number of regional communities that operate autonomously both within the UK and overseas. The officers of these branches are appointed by the regional community memberships of the EI. The EI also owns 3 subsidiary companies in Hong Kong, Nigeria and Singapore. The EI also has a wholly owned UK subsidiary company, limited by shares. EI Services Limited was incorporated on 17 May 2017. The purpose of the UK company is to administer commercial activities that will contribute to the EI's charitable activities.

## 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.

In relation to 2022 planned activities, Council has identified the following priority risks:

The ongoing risk around revenue control and cashflow due to the effects of the pandemic continue to be a key risk. The senior leadership team closely monitored reduced revenue streams from physical activities, such as events and training, to ensure costs were being reduced in line with the forecasted drop in income. For 2022, the implementation of the new business strategy will ensure the EI aligns itself with the changing energy landscape with an increased focus on accelerating a just energy transition. A series of forecasting scenarios to 2030 were produced to assess the level of investment that could be undertaken to achieve the strategy.

Council approved the EI's 2030 strategy in December and the associated investment plan. Council also reviewed the risks identified, including management's ability to deliver growth, organisational effectiveness, robust financial monitoring, and ensuring return on investment. Council also recognised the risk of standing still and not executing the 2030 strategy could be more damaging to the EI's long-term viability, than the risks associated with its execution.

Growing and engaging membership is a key aspect of the 2030 strategy and the way we engage with our members and wider society will be crucial to our success. A digital transformation agenda is a key enabler of delivering stronger global engagement. Ensuring this is delivered effectively and providing our members with a quality user experience is a key risk which will be carefully managed.

The changes we make to become more globally accessible with an accelerated digital delivery, due to the pandemic, doesn't come without risks. To reduce the risk of any loss of engagement, the EI will need to ensure its digital delivery is as valued as the traditional engagement methods, providing a system-wide view together with supporting a net zero integrated energy system.

The strong organisational culture remains one of the EI's key strengths and therefore the risk of loss of key people, outdated policies, or ineffective organisation structure for people to operate is increased. With a reduced Council structure to improve its strategic focus and a new Head of HR in 2021 to introduce strategic HR capability, an improved mitigation of these risks is now in place.

## 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 a strategy which aims to direct how it works towards achieving those objects. The EI's purpose is to create a better energy future for our members and society by accelerating a just global energy transition to net zero.

The EI achieves this through:

- Attracting, developing and equipping the diverse future energy workforce
- Informing energy decision making through convening expertise and advice
- Enabling industry to make energy lower carbon, safer, and more efficient

The Council approves an annual business plan and budget which supports the longer-term strategy and ensures that the organisational resources required are adequate to meet its needs.

The EI does not participate in any fundraising activities.

### Principal activities for the year, achievements and performance

#### “An unimaginable year”

EI President Steve Holliday FEng FEI described 2021 at the AGM as a further “unimaginable year”, with personal hardship and adversity for many, alongside tremendous achievement by the sector. He said, “I’ve seldom been as proud of our sector which has continued to keep supplies of fuel and power flowing to our economies and day-to-day lives throughout this tragic pandemic”.

The EI has continued to adapt to these circumstances with pastoral, operational and professional support for members and other customers, alongside sustaining business-as-usual services and making significant progress on new projects in particular focused on the response to the climate crisis.

Highlights of the year included:

- EI Enable launched, supporting members with a 24/7 advice service and funds for fees available to those made redundant during the pandemic
- Guidance produced with industry to protect workforces and assets during the pandemic
- EI LIVE lockdown-friendly webinars accessed by 1000s around the world
- UK members backed calls for a green skills strategy in Energy Barometer 2022
- Virtual EI Awards ceremony recognised the sector’s net zero achievers
- Young Generation 2050 members had their say via round tables, podcast season and produced an inspirational film that premiered at COP26
- The Toolbox web app was extended into wind energy and is now available in 10 languages
- Annual incident data published for the first time by SafetyOn, while G+ delivered new guidance on helicopter safety practices
- EI joined UN Race to Zero and published first net zero progress report
- Virtual IP Week was dominated by the ‘decade of delivery’ facing the oil and gas sector in its climate response
- Record number of good practice documents published by the technical programme, and new activities under way in CCUS and hydrogen
- Engagement and support to HRH Prince Charles’ Sustainable Markets Initiative
- EI magazines moved online in a new digital flipbook format
- 1000s signed up for new EI Connect mentoring platform
- Energy Fundamentals training provided to 100s of BEIS and Scottish Government officials
- EI sponsored the Big Bang special climate change award and the edie net zero leader of the year award
- POWERful Women published annual boardroom data, held virtual conference and hosted event in COP26 green zone
- Growing participation in National Engineering Policy Centre, Methane Guiding Principles, Professional Bodies Charter for Climate Action and Sustainable Markets Initiative.

The year also saw the appointment of two new Vice Presidents to Council - former UK Energy Minister Charles Hendry and Octopus Energy CEO Greg Jackson – and the departure of eight trustees with a combined total of fifty years combined service. Longstanding CEO Louise Kingham CBE FEI also departed for a prominent new role in industry, and was replaced by Dr Nick Wayth CEng FEI FIMechE, On his appointment he said, “The EI’s reach across the world of energy means it punches significantly above its weight. I aspire to us being a growing catalyst for change”.

## 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; and
- 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 2021, net of management fees, was 10.2% against a benchmark of 13.7% and compared with the ARC steady growth charity index of 12.3%. 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 9.

During the year the EI's consolidated results comprised income of £7,178,000 (2020: £7,750,000) and expenditure of £7,058,000 (2020: £7,284,000). Unrestricted income in the year reduced by £926,000 to £5,325,000 (2020: £6,251,000) due to the pandemic having a significant impact on our knowledge sharing activities. With careful planning, cost efficiencies were successfully implemented to reduce the impact on operational reserves.

Unrestricted general reserves, excluding gain on investment, produced an operating surplus of £11,000 (2020: £275,000). The net gain on investments of £237,000 (2020: £195,000) resulted in net income of £248,000 (2020: £470,000). After taking account of movements on restricted reserves and the designated reserves, this resulted in total net income of £391,000 (2020: £688,000). Actuarial gains of £417,000 (2020: losses £1,047,000) on the pension scheme contributed to a net gain in funds of £808,000 (2020: net deficit £359,000) for the year.

At the end of 2021, the EI group had net assets of £10,617,000 (2020: £9,809,000), analysed in the balance sheet set out on page 11. The primary asset is the long leasehold of the premises at 61 New Cavendish Street.

Listed investments plus cash and bank deposits totalled £5,339,000 (2020: £5,441,000) at the end of 2021, sufficient to meet the EI's obligations to creditors and restricted funds. There was an decrease of £354,000 (2020: increase £1,041,000) in the estimated deficit on the pension plan from 2021, this is reflected in the balance sheet under the Financial Reporting Standard 102 as a pension plan deficit of £206,000 (2019: deficit £560,000).

### Operational reserves

The Energy Institute's consolidated free reserves at 31 December 2021 totalled £1,814,000 (2020: £1,526,000), representing total unrestricted funds of £7,807,000 (2020: £7,220,000) less those held in tangible fixed assets of £6,088,000 (2020: £6,146,000), those designated for particular projects or purposes of £111,000 (2020: £108,000) and excluding the pension reserve deficit of £206,000 (2020: deficit £560,000).

The Council has reviewed the level of free reserves required by the Institute and considered the following:

- The Institute is budgeting a business-as-usual breakeven in 2022, with a growth investment budget of £300,000
- The strategy budgeting for 2022, means that the Institute is well equipped to put mechanisms in place to ensure a cost reduction plan is put into action if income is not received as anticipated.
- 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;  
Over the past two years cash reserves have built up to fund the strategy investment plans.
- The Institute holds around £4m of liquid investments, just over half 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.

Based on the factors noted above, the Council has set a policy level of free reserves of between £500,000 and £750,000 which it comfortably exceeds to enable investment for growth.

The current levels and explanations of the purposes for designated funds are described in note 13 to the accounts.

## FUTURE PLANS

With the revised EI Council membership and arrival of a new CEO, considerable work has been undertaken on refreshing the EI's strategy through to 2030. While remaining agile to the changing needs of the sector, including the crisis emerging in international energy markets, the new strategy sets its sights firmly on a clearer statement of purpose - "Creating a better energy future for our members and society by accelerating a just global energy transition" – and ambition for growth across three strategic themes. The operational plan for 2022 reflects the first phase of this, stabilising and building the foundations for growth.

Activities for 2022 include:

### Attracting, developing and equipping the diverse future energy workforce

- New ways of engaging with and packaging services for employees of company members
- Development of a new platform to enable members to engage with each other and develop special interest groups
- Develop routes to fellowship in particular in key geographies and demographics
- Further amplify the influence of young professionals internally and through the next phase of Generation 2050
- Continued support for and visibility of role in POWERful Women and the Energy Leaders Coalition
- Consolidate existing training offer with net zero programme and scope out EI Academy, aimed at being a leading global net zero training platform

#### **Informing energy decision making through convening expertise and advice**

- Host first ever International Energy Week, as a hybrid event building on the strengths and legacies of IP Week, showcasing the technologies, business models and skills required for global net zero
- Further develop other conferences including Powering Net Zero and Middle East HSE & Sustainability
- Present inaugural President's Award, building on the 90-year legacy of the earlier Cadman and Melchett Awards
- Launch new online member magazine, New Energy World, building on the foundations of Energy World and Petroleum Review and providing a window on the energy transition as it unfolds
- Publish 2022 Energy Barometer focused on decarbonisation in hard-to-abate energy-intensive industries
- Develop further Essentials Guides, including on Energy and Carbon Management
- Deliver Energy Fundamentals course for BEIS, Scottish Government and continue to expand offering to policy makers across central, regional and local governments
- Launch and grow reach of third season of EI podcast, Energy In Conversation

#### **Enabling industry to make energy lower carbon, safer, and more efficient**

- Deliver and promote the first outputs from the hydrogen and CCUS projects
- Build a work programme in integrated power systems
- Scope out further projects focused on sectoral and cross-cutting priorities
- Secure new technical partners, with a focus on key geographies
- Expand Toolbox user base in diverse sectors and geographies

#### **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; and
- 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 LLP be re-appointed as auditor to the EI will be proposed at the Annual General Meeting.



**Steve Holliday FREng FEI**  
President

28 March 2022



**Simardeep Soor ACA FEI**  
Honorary Treasurer

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ENERGY INSTITUTE

### Opinion

We have audited the financial statements of the Energy Institute for the year ended 31 December 2021, 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2021 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.

### Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Council. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the parent charity 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.

### Responsibilities of trustees for the financial statements



As explained more fully in the Statement of Council's Responsibilities set out in the Report of the Council, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the parent charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to management override, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management override. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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.



**Haysmacintyre LLP**  
Statutory Auditor

10 Queen Street Place,  
London  
EC4R 1AG

Date: 6 April 2022

Haysmacintyre LLP 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 2021**  
 (Including consolidated income and expenditure)

		2021	2021	2021	2021	2020
		Unrestricted		Restricted	Total	Total
Note		General reserves	Designated reserve	reserves	reserves	reserves
		£'000	£'000	£'000	£'000	£'000
<b>Income:</b>						
<i>Income from charitable activities:</i>						
	Members' subscriptions	1,733	-	-	1,733	1,765
	Charitable activities	3,072	227	1,612	4,911	5,222
	Other trading activities	368	-	-	368	599
		<hr/>				
3		5,173	227	1,612	7,012	7,586
		<hr/>				
	Government grants	56	-	-	56	46
	Investments	96	-	14	110	118
		<hr/>				
	<b>Total income</b>	<b>5,325</b>	<b>227</b>	<b>1,626</b>	<b>7,178</b>	<b>7,750</b>
		<hr/>				
<b>Expenditure:</b>						
	Charitable activities	5,168	305	1,439	6,912	7,012
	Other trading activities	146	-	-	146	272
		<hr/>				
	<b>Total expenditure</b>	<b>5,314</b>	<b>305</b>	<b>1,439</b>	<b>7,058</b>	<b>7,284</b>
		<hr/>				
	Net gains on investments	237	-	34	271	222
		<hr/>				
	<b>Net Income/(expenditure)</b>	<b>248</b>	<b>(78)</b>	<b>221</b>	<b>391</b>	<b>688</b>
	Transfers between funds	(23)	23	-	-	-
		<hr/>				
<b>Other recognised gains/(losses):</b>						
	Actuarial gains/(losses) on Pension Plan	417	-	-	417	(1,047)
		<hr/>				
	<b>Net movement in funds</b>	<b>642</b>	<b>(55)</b>	<b>221</b>	<b>808</b>	<b>(359)</b>
		<hr/>				
<b>Reconciliation of funds:</b>						
	<b>Total funds brought forward</b>	<b>966</b>	<b>6,254</b>	<b>2,589</b>	<b>9,809</b>	<b>10,168</b>
		<hr/>				
	<b>Total funds carried forward</b>	<b>1,608</b>	<b>6,199</b>	<b>2,810</b>	<b>10,617</b>	<b>9,809</b>
		<hr/>				

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 2021**  
 (Including income and expenditure account)

		2021	2021	2021	2021	2020
		Unrestricted		Restricted	Total	Total
Note		General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000	reserves £'000
<b>Income:</b>						
<i>Income from charitable activities:</i>						
	Members' subscriptions	1,722	-	-	1,722	1,759
	Charitable activities	2,952	227	1,612	4,791	5,140
3		4,674	227	1,612	6,513	6,899
	Government grants	56	-	-	56	46
	Donations	222	-	-	222	327
	Investments	96	-	14	110	118
	<b>Total income</b>	<b>5,048</b>	<b>227</b>	<b>1,626</b>	<b>6,901</b>	<b>7,390</b>
<b>Expenditure:</b>						
	Charitable activities	5,050	305	1,439	6,794	6,915
	<b>Total expenditure</b>	<b>5,050</b>	<b>305</b>	<b>1,439</b>	<b>6,794</b>	<b>6,915</b>
	Net gains on investments	237	-	34	271	222
	<b>Net income/(expenditure)</b>	<b>235</b>	<b>(78)</b>	<b>221</b>	<b>378</b>	<b>697</b>
	Transfers between funds	(23)	23	-	-	-
<b>Other recognised gains/(losses):</b>						
	Actuarial gains/(losses) on Pension Plan	417	-	-	417	(1,047)
	<b>Net movement in funds</b>	<b>629</b>	<b>(55)</b>	<b>221</b>	<b>795</b>	<b>(350)</b>
<b>Reconciliation of funds:</b>						
	<b>Total funds brought forward</b>	<b>930</b>	<b>6,254</b>	<b>2,589</b>	<b>9,773</b>	<b>10,123</b>
	<b>Total funds carried forward</b>	<b>1,559</b>	<b>6,199</b>	<b>2,810</b>	<b>10,568</b>	<b>9,773</b>

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 2021

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
<b>Fixed assets:</b>					
Tangible assets	8	6,088	6,146	6,088	6,146
Investments	9	4,052	3,781	4,052	3,781
<b>Total fixed assets</b>		<b>10,140</b>	<b>9,927</b>	<b>10,140</b>	<b>9,927</b>
<b>Current assets:</b>					
Debtors	10	972	1,651	952	1,898
Short term deposits		623	1,022	623	772
Bank and cash		664	638	468	414
<b>Total current assets</b>		<b>2,259</b>	<b>3,311</b>	<b>2,043</b>	<b>3,084</b>
<b>Liabilities:</b>					
Amounts falling due within one year	11	(1,576)	(2,869)	(1,409)	(2,678)
<b>Net current assets</b>		<b>683</b>	<b>442</b>	<b>634</b>	<b>406</b>
<b>Total assets less current liabilities</b>		<b>10,823</b>	<b>10,369</b>	<b>10,774</b>	<b>10,333</b>
<i>Net assets excluding pension liability</i>		10,823	10,369	10,774	10,333
Pension Scheme deficit	12	(206)	(560)	(206)	(560)
<b>Total net assets</b>		<b>10,617</b>	<b>9,809</b>	<b>10,568</b>	<b>9,773</b>
<b>The funds of the charity:</b>					
<i>Unrestricted reserves</i>					
	13				
General reserve		1,814	1,526	1,765	1,490
Pension reserve		(206)	(560)	(206)	(560)
Designated reserves		6,199	6,254	6,199	6,254
		7,807	7,220	7,758	7,184
<i>Restricted reserves</i>	13	2,810	2,589	2,810	2,589
<b>Total group and charity funds</b>		<b>10,617</b>	<b>9,809</b>	<b>10,568</b>	<b>9,773</b>

These financial statements were approved and authorised for issue by Council on 28 March 2022 and signed on its behalf by:



**Steve Holliday FREng FEI**  
President



**Simardeep Soor ACA FEI**  
Honorary Treasurer

<b>Cash flow Statement for the year ended 31 December 2021</b>	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities:</b>				
Net Income for the reporting period (as per the statement of financial activities)	391	688	378	697
Gains on investments	(271)	(222)	(271)	(222)
Investment income	(110)	(118)	(110)	(118)
Depreciation of tangible fixed assets	82	97	82	97
Interest expense	-	5	-	5
Decrease/(Increase) in debtors	679	(406)	946	(778)
(Decrease)/Increase in creditors	(1,293)	730	(1,269)	833
Non-cash operating movement in pension scheme asset	63	(6)	63	(6)
<b>Net cash used in operating activities</b>	<b>(459)</b>	<b>768</b>	<b>(181)</b>	<b>508</b>
<b>Cash flows from investing activities:</b>				
Investment income	110	118	110	118
Proceeds from sales of investments	-	250	-	250
Interest expense	-	(5)	-	(5)
Payments to acquire tangible fixed assets	(24)	(26)	(24)	(26)
<b>Net cash provided by investing activities</b>	<b>86</b>	<b>337</b>	<b>86</b>	<b>337</b>
<b>Cash flows from financing activities:</b>				
Repayments of borrowing	-	(147)	-	(147)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(147)</b>	<b>-</b>	<b>(147)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(373)</b>	<b>958</b>	<b>(95)</b>	<b>698</b>
Cash and cash equivalents at the beginning of the year	1,660	702	1,186	488
<b>Cash and cash equivalents at the end of the year</b>	<b>1,287</b>	<b>1,660</b>	<b>1,091</b>	<b>1,186</b>

<b>Analysis of changes in net debt of Group</b>	1 January 2021	Cash flow	31 December 2021
	£'000	£'000	£'000
Cash at bank and in hand	638	26	664
Short term deposits	1,022	(399)	623
<b>Total cash and cash equivalents</b>	<b>1,660</b>	<b>(373)</b>	<b>1,287</b>
<b>Analysis of changes in net debt of Charity</b>	1 January 2021	Cash flow	31 December 2021
	£'000	£'000	£'000
Cash at bank and in hand	414	54	468
Short term deposits	772	(149)	623
<b>Total cash and cash equivalents</b>	<b>1,186</b>	<b>(95)</b>	<b>1,091</b>

## 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 (Charities SORP second edition, effective 1<sup>st</sup> January 2019) 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 consolidated financial statements of the Energy Institute incorporate the accounts of the charity and its subsidiary undertakings. The results of the subsidiary undertakings, as shown in note 7, are consolidated on a line by line basis within the consolidated Statement of Financial Activities (SOFA).

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 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**

Despite the impact the global pandemic has had on the sector and wider public, the leadership and trustees have worked on a new strategy that adapts to a changing energy landscape with robust financial and operational strategies and plans to ensure that the charity is able to meet the challenges ahead. Despite the significant impact these challenges are having on society as a whole, the estimated financial impact on the Institute is considered manageable when taking into account the profile of revenues and available liquid reserves. Accordingly, the trustees continue to be confident that the Institute remains a going concern and the accounts have been prepared on that basis.

**e) Income**

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

The Energy Institute generally raises invoices and sends renewals to individuals for the following financial year's membership fees and other agreed projects before the balance sheet date.

Government grants relate to the Coronavirus Job Retention Scheme (CJRS) income which is recognised as receivable in line with the period that the relevant expense has been incurred.

**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

#### h) Investments

Listed investments are stated at market value. Gains and losses arising from changes in market values are included within the SOFA. 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 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. On 1 January 2020, the Energy Institute entered into a salary sacrifice scheme agreement with the stakeholder pension scheme members.

#### 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 and other trading activities

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Membership subscriptions	1,735	1,765	1,724	1,759
Knowledge sharing activities	986	1,933	618	1,334
Skills development activities	871	683	750	601
Good practice activities	3,400	3,205	3,400	3,205
Other	20	-	21	-
	<u>7,012</u>	<u>7,586</u>	<u>6,513</u>	<u>6,899</u>

### Note 4 – 2021 Expenditure on charitable and other trading activities

	Direct costs Staff £'000	Direct costs Other £'000	Support costs £'000	2021 Total £'000
Good practice activities	1,236	1,841	423	3,500
Knowledge sharing activities	836	221	563	1,620
Skills development activities	521	443	282	1,246
External affairs	239	48	141	428
Charitable activities	<u>2,832</u>	<u>2,553</u>	<u>1,409</u>	<u>6,794</u>
Charitable and other trading expenditure in subsidiaries	-	264	-	264
Group total	<u>2,832</u>	<u>2,817</u>	<u>1,409</u>	<u>7,058</u>



Notes on the financial statements

Note 4 – 2020 Expenditure on charitable activities and other trading activities

	Direct costs Staff £'000	Direct costs Other £'000	Support costs £'000	2020 Total £'000
Good practice activities	1,187	1,479	394	3,060
Knowledge sharing activities	957	405	525	1,887
Skills development activities	609	656	263	1,528
External affairs	258	51	131	440
Charitable activities excluding exceptional cost	3,011	2,591	1,313	6,915
Charitable and other trading expenditure in subsidiaries	-	369	-	369
Group total	3,011	2,960	1,313	7,284

Note 5 – Analysis of support costs

	2021 £'000	2020 £'000
Support staff costs	943	839
Building facilities and services	197	194
Management & Human Resources	71	78
Finance	59	58
Information Technology	139	144
	1,409	1,313

Included in support costs are governance costs relating to:

Auditor's remuneration	22	20
Actuarial	3	3
Legal and consultancy	23	17
Salaries	5	5
Other	-	1
	53	46

Note 6 – Staff costs

	2021 £'000	2020 £'000
Salaries	2,725	2,884
Social security	301	291
Stakeholder pension	239	240
Defined benefit pension service cost	162	91
Redundancy	-	30
Temporary/sub-contract staff	278	261
Other staff related costs	70	52
	3,775	3,849

## Notes on the financial statements

The average number of employees was 77 (2020: 75).

The following numbers of staff have salaries above £60,000:	2021	2020
Between £60,000-£70,000	3	4
Between £70,001-£80,000	1	2
Between £80,001-£90,000	2	1
Between £90,001-£100,000	1	1
Between £130,001-£140,000	-	1
Between £160,001-£170,000	1	-

Pension contributions paid in respect of these individuals totalled £102,000 (2020: £159,000).

### 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 (2020: no trustees). Trustees' expenses for travel and accommodation reimbursed during the year amounted to £885 (2020: £1,529) in respect of 3 trustees.

### Remuneration of key management personnel

The key management personnel of the Energy Institute comprise 5 senior directors. Total remuneration, employer's national insurance contributions and pensions for these key management personnel were £633,000 (2020: £620,000).

## Note 7 – Subsidiary undertakings

Energy Institute has 3 trading international branch subsidiaries and 1 UK trading subsidiary, 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 and wholly owned by the EI. EI Services Limited was incorporated on 17 May 2017, a wholly owned UK subsidiary company of Energy Institute, limited by shares.

Trading subsidiaries' results	EI Services Ltd	Energy Institute Hong Kong (branch) Ltd	Energy Institute Nigeria Ltd	Energy Institute Singapore Ltd	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	368	55	70	-	493	686
Cost of sales	(141)	(42)	(49)	-	(232)	(342)
Gross profit	227	13	21	-	261	344
Admin/other costs	(5)	(7)	(30)	(2)	(44)	(44)
Trading profit/(loss)	222	6	(9)	(2)	217	300
Grants paid from EI	-	5	2	-	7	1
Net income/ (outgoings)	222	11	(7)	(2)	224	301
Amount payable by qualifying charitable donation to Energy Institute	(222)	-	-	-	(222)	(327)
Retained profit brought forward	-	20	11	6	37	63
Retained profit carried forward and net assets	-	31	4	4	39	37

## Notes on the financial statements

## 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
<b>a) Cost</b>					
Cost at 1 January 2021	4,250	2,220	273	549	7,292
Additions	-	-	-	24	24
<b>Cost at 31 December 2021</b>	<b>4,250</b>	<b>2,220</b>	<b>273</b>	<b>573</b>	<b>7,316</b>
<b>b) Depreciation</b>					
Depreciation at 1 January 2020	462	99	120	465	1,146
Charge for the year	-	23	13	46	82
<b>Depreciation at 31 December 2020</b>	<b>462</b>	<b>122</b>	<b>133</b>	<b>511</b>	<b>1,228</b>
<b>Net book value at 31 December 2021</b>	<b>3,788</b>	<b>2,098</b>	<b>140</b>	<b>62</b>	<b>6,088</b>
<b>Net book value at 31 December 2020</b>	<b>3,788</b>	<b>2,121</b>	<b>153</b>	<b>84</b>	<b>6,146</b>

The lease on the premises at 61 New Cavendish Street has 937 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.

**Capital commitments**

There are no capital commitments at 31 December 2021 (2020: None).

## Note 9 – Investments (Group and Charity)

Alpha Common Investment Fund	£ £'000
<b>Market values</b>	
1 January 2021	3,781
Net gain on revaluation	271
<b>31 December 2021</b>	<b>4,052</b>
<b>Historical cost</b>	
1 January 2021	2,450
31 December 2021	2,450

Council are aware of the current volatility in the investment markets. Council are not expecting to require the disposal of any of the investment portfolio in the foreseeable future.

**Unlisted investments**

The Energy Institute had a one third equity interest in Petroleum Geology Conferences Limited, during 2021 the company was dissolved, the share capital was returned to the EI. The EI also has 100 ordinary shares of £1, in EI services Ltd.

## Notes on the financial statements

## Note 10 – Debtors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade debtors	718	1,329	700	1,580
Prepayments and accrued income	254	321	252	317
Other debtors	-	1	-	1
	<b>972</b>	<b>1,651</b>	<b>952</b>	<b>1,898</b>

## Note 11 – Creditors

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
<b>Amounts falling due within one year</b>				
Trade creditors	206	408	212	408
Taxation and social security	168	365	154	325
Accruals and deferred Income	1,202	2,096	1,043	1,945
	<b>1,576</b>	<b>2,869</b>	<b>1,409</b>	<b>2,678</b>

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

## Note 12 - Retirement benefits

**Stakeholder contributions**

The Energy Institute operates defined contribution pension arrangements for employees. Employer contributions made during the period in respect of 72 (2020: 59) employees were £239,000 (2020: £239,500). The Energy Institute entered into a salary sacrifice scheme agreement with stakeholder pension scheme members from the 1 January 2020.

**Defined benefit pension scheme**

The Energy Institute operates a defined benefit pension scheme, the Energy Institute Pension and Dependents Benefits Plan which has 6 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 below. The benefits have been valued by projecting forward the results from the FRS102 disclosures, as at 31 December 2021, 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 2020 showed a deficit of £40,000.

**Movement in assets during the period**

	<b>31 December 2021</b> <b>% a year</b>	<b>31 December 2020</b> <b>% a year</b>
<b>Principal actuarial assumptions</b>		
Discount rate	1.9%	1.4%
Retail Price Inflation	3.6%	3.2%
Consumer Price Inflation	3.1%	2.7%
Salary growth	2.9%	2.1%
Rate of increases to pensions in payment		
– Price inflation (CPI) subject to a maximum of 2.5% p.a.	1.9%	1.8%
– Price inflation (CPI) subject to a maximum of 3% p.a.	2.2%	2.0%
– Price inflation (CPI) subject to a maximum of 5% p.a.	2.9%	2.6%
– Price inflation (CPI) subject to a maximum of 5% p.a. and a minimum of 3% p.a.	3.7%	3.6%
<b>Demographic assumptions</b>		
Mortality after retirement		
- Base table	S3PXA series year of birth (YOB) tables	S3PXA series year of birth (YOB) tables
- Future improvements	CMI_2019_M/F (1%)	CMI_2019_M/F (1%)
Proportion taking tax free cash	100%	100%

	<b>2021</b> <b>Males</b>	<b>2021</b> <b>Females</b>	<b>2020</b> <b>Males</b>	<b>2020</b> <b>Females</b>
<b>Assumed life expectancy at aged 65</b>				
Current pensioners	21.8 years	24.1 years	21.8 years	24.1 years
Retiring in 20 years	22.8 years	25.3 years	22.8 years	25.3 years

	<b>31 December 2021</b> <b>£'000</b>	<b>31 December 2020</b> <b>£'000</b>
<b>Changes in fair value of plan assets</b>		
Opening fair value of plan assets	9,862	9,123
Employer contributions	103	107
Employee contributions	26	28
Benefits paid	(359)	(296)
Expenses paid	(15)	(19)
Expected return on scheme assets	136	199
Actuarial gain/ (losses) on assets	(106)	720
Closing fair value of plan assets	9,647	9,862
Actual return on plan assets	30	919

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

<b>Asset Allocation</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Diversified Growth Fund	52.2%	47.8%
Bonds	29.2%	32.6%
Gilts	17.8%	19.3%
Cash	0.8%	0.3%

**Movement in assets during the period**

	31 December 2021 £'000	31 December 2020 £'000
<b>Changes in present value of defined benefit obligation</b>		
Opening defined benefit obligation	10,422	8,642
Current service cost	142	109
Employee contributions	26	28
Interest cost	145	188
Benefits paid	(359)	(296)
Scheme amendments	-	(16)
Remeasurement loss/(gain) on defined benefit obligation:		
- Impact of experience	(148)	(12)
- Impact of amended financial assumptions	(375)	1,683
- Impact of amended mortality assumptions	-	(96)
Closing defined benefit obligation	9,853	10,422

**Pension expense**

	31 December 2021 £'000	31 December 2020 £'000
Analysis of the amount charged to income and expenditure		
Current service cost	(142)	(109)
Expenses	(15)	(19)
Interest on net liability	(9)	11
Actuarial remeasurement	-	16
	(166)	(101)

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.

	31 December 2021 £'000	31 December 2020 £'000
<b>Other comprehensive income</b>		
Actual less expected return on plan assets	(106)	720
Experience gains/(losses) on liabilities	148	12
Change in assumptions	375	(1,779)
Actuarial (loss)/gain recognised in OCI	417	(1,047)

	31 December 2021 £'000	31 December 2020 £'000
<b>Balance sheet position</b>		
Present value of defined benefit obligation	(9,853)	(10,422)
Fair value of plan assets	9,647	9,862
Net defined benefit pension (liability)/asset	(206)	(560)

**Notes on the financial statements**
**Note 13 – 2021 Group Reserves**

	1 January 2021	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2021
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted reserves</b>					
<i>General reserves</i>	1,526	5,325	(5,251)	214	1,814
<i>Pension reserve</i>	(560)	-	(63)	417	(206)
	966	5,325	(5,314)	631	1,608
<i>Designated reserves</i>					
UK WPC reserve	14	6	(5)	-	15
Powerful Women reserve	93	221	(217)	-	97
Fixed asset reserve	6,147	-	(83)	23	6,087
	6,254	227	(305)	23	6,199
<b>Total unrestricted reserves</b>	7,220	5,552	(5,619)	654	7,807
<b>Restricted reserves</b>					
Partner technical projects	1,664	1,594	(1,394)	-	1,864
Shell hearts and minds	416	16	(22)	-	410
General prize fund	6	1	(1)	-	6
Benevolent fund	503	15	(22)	34	530
<b>Total restricted reserves</b>	2,589	1,626	(1,439)	34	2,810
<b>Total Reserves</b>	9,809	7,178	(7,058)	688	10,617

**Note 13 – 2021 Charity Reserves**

	1 January 2021	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2021
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted reserves</b>					
<i>General reserves</i>	1,490	5,048	(4,987)	214	1,765
<i>Pension reserve</i>	(560)	-	(63)	417	(206)
	930	5,048	(5,607)	631	1,559
<i>Designated reserves</i>					
UK WPC reserve	14	6	(5)	-	15
Powerful Women reserve	93	221	(217)	-	97
Fixed asset reserve	6,147	-	(83)	23	6,087
	6,254	227	(305)	23	6,199
<b>Total unrestricted reserves</b>	7,184	5,275	(5,355)	654	6,199
<b>Restricted reserves</b>					
Partner technical projects	1,664	1,594	(1,394)	-	1,864
Shell hearts and minds	416	16	(22)	-	410
General prize fund	6	1	(1)	-	6
Benevolent fund	503	15	(22)	34	530
<b>Total restricted reserves</b>	2,589	1,626	(1,439)	34	2,810
<b>Total Reserves</b>	9,773	6,901	(6,794)	688	10,568

**Notes on the financial statements**
**Note 13 – 2020 Group Reserves**

	1 January 2020	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2020
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted reserves</b>					
<i>General reserves</i>	1,088	6,251	(5,982)	169	1,526
<i>Pension reserve</i>	481	-	6	(1,047)	(560)
	1,569	6,251	(5,976)	(878)	966
<i>Designated reserves</i>					
UK WPC reserve	17	6	(9)	-	14
Powerful Women reserve	74	140	(121)	-	93
Fixed asset reserve	6,217	-	(96)	26	6,147
	6,308	146	(226)	26	6,254
<b>Total unrestricted reserves</b>	7,877	6,397	(6,202)	(852)	7,220
<b>Restricted reserves</b>					
Partner technical projects	1,338	1,291	(965)	-	1,664
Shell hearts and minds	471	46	(101)	-	416
General prize fund	6	-	-	-	6
Benevolent fund	476	16	(16)	27	503
<b>Total restricted reserves</b>	2,291	1,353	(1,082)	27	2,589
<b>Total Reserves</b>	10,168	7,750	(7,284)	(825)	9,809

**Note 13 – 2020 Charity Reserves**

	1 January 2020	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2020
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted reserves</b>					
<i>General reserves</i>	1,043	5,891	(5,613)	169	1,490
<i>Pension reserve</i>	481	-	6	(1,047)	(560)
	1,524	5,891	(5,607)	(878)	930
<i>Designated reserves</i>					
UK WPC reserve	17	6	(9)	-	14
Powerful Women reserve	74	140	(121)	-	93
Fixed asset reserve	6,217	-	(96)	26	6,147
	6,308	146	(226)	26	6,254
<b>Total unrestricted reserves</b>	7,832	6,037	(5,833)	(852)	7,184
<b>Restricted reserves</b>					
Partner technical projects	1,338	1,291	(965)	-	1,664
Shell hearts and minds	471	46	(101)	-	416
General prize fund	6	-	-	-	6
Benevolent fund	476	16	(16)	27	503
<b>Total restricted reserves</b>	2,291	1,353	(1,082)	27	2,589
<b>Total Reserves</b>	10,123	7,390	(6,915)	(825)	9,773



## 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.

### 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.

## Note 14 – 2021 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	Pension reserve	31-Dec-21
	£'000	£'000	£'000	£'000
Unrestricted reserves	1,544	270	-	1,814
Pension reserve	-	-	(206)	(206)
Designated reserves	6,088	111	-	6,199
	7,632	381	(206)	7,807
Restricted reserves	2,508	302	-	2,810
Total	10,140	683	(206)	10,617

## Note 14 – 2021 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)	Pension reserve	31-Dec-21
	£'000	£'000	£'000	£'000
Unrestricted reserves	1,544	221	-	1,490
Pension reserve	-	-	(206)	(206)
Designated reserves	6,088	111	-	7,758
	7,632	332	(206)	7,184
Restricted reserves	2,508	302	-	2,810
Total	10,140	634	(206)	10,568

Notes on the financial statements

**Note 14 – 2020 Group Net assets by fund**

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

	<b>Tangible fixed &amp; investment assets</b>	<b>Net current assets</b>	<b>Pension reserve</b>	<b>31-Dec-20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unrestricted reserves	1,276	250	-	1,526
Pension reserve	-	-	(560)	(560)
Designated reserves	6,145	109	-	6,254
	<b>7,421</b>	<b>359</b>	<b>(560)</b>	<b>7,220</b>
Restricted reserves	2,506	83	-	2,589
<b>Total</b>	<b>9,927</b>	<b>442</b>	<b>(560)</b>	<b>9,809</b>

**Note 14 – 2020 Charity Net assets by fund**

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

	<b>Tangible fixed &amp; investment assets</b>	<b>Net current assets / (liabilities)</b>	<b>Pension reserve</b>	<b>31-Dec-20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unrestricted reserves	1,276	214	-	1,490
Pension reserve	-	-	(560)	(560)
Designated reserves	6,145	109	-	6,254
	<b>7,421</b>	<b>323</b>	<b>(560)</b>	<b>7,184</b>
Restricted reserves	2,506	83	-	2,589
<b>Total</b>	<b>9,927</b>	<b>406</b>	<b>(560)</b>	<b>9,773</b>

**Note 15 – Related party transactions**

Transactions during the year with EI services Ltd, resulted in an amount due to the Energy Institute totalling £34,000 (2020: due from EI £262,000). Energy Institute raised invoices to EI Services Ltd totalling £138,000 (2020: £261,000) in respect of recharged costs. There are no other related party transactions that require disclosure.

## Notes on the financial statements

## Note 16 – Comparative Statement of Financial Activities

Consolidated Statement of Financial Activities for the year ended 31 December 2020  
(Including consolidated income and expenditure)

		2020	2020	2020	2020
		Unrestricted		Restricted	Total
	Note	General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000
<b>Income:</b>					
<i>Income from charitable activities:</i>					
Members' subscriptions		1,765	-	-	1,765
Charitable activities		3,737	146	1,339	5,222
Other trading activities		599	-	-	599
	3	6,101	146	1,339	7,586
Government grants		46	-	-	46
Investments		104	-	14	118
<b>Total income</b>		<b>6,251</b>	<b>146</b>	<b>1,353</b>	<b>7,750</b>
<b>Expenditure:</b>					
Charitable activities		5,704	226	1,082	7,012
Other trading activities		272	-	-	272
<b>Total expenditure</b>	4	<b>5,976</b>	<b>226</b>	<b>1,082</b>	<b>7,284</b>
Net gains on investments	9	195	-	27	222
<b>Net Income/(expenditure)</b>		<b>470</b>	<b>(80)</b>	<b>298</b>	<b>688</b>
Transfers between funds		(26)	26	-	-
<b>Other recognised gains/(losses):</b>					
Actuarial (losses)/gains on Pension Plan	13	(1,047)	-	-	(1,047)
<b>Net movement in funds</b>		<b>(603)</b>	<b>(54)</b>	<b>298</b>	<b>(359)</b>
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>		<b>1,569</b>	<b>6,308</b>	<b>2,291</b>	<b>10,168</b>
<b>Total funds carried forward</b>	14	<b>966</b>	<b>6,254</b>	<b>2,589</b>	<b>9,809</b>

## Notes on the financial statements

## Note 16 – Comparative Statement of Financial Activities (Continued)

**Charity Statement of Financial Activities for the year ended 31 December 2020**  
 (Including income and expenditure account)

		2020 Unrestricted General reserves £'000	2020 Designated reserve £'000	2020 Restricted reserves £'000	2020 Total reserves £'000
	Note				
<b>Income:</b>					
<i>Income from charitable activities:</i>					
Members' subscriptions		1,759	-	-	1,759
Charitable activities		3,655	146	1,339	5,140
	3	5,414	146	1,339	6,899
Government grants		46			46
Donations		327	-	-	327
Investments		104	-	14	118
<b>Total income</b>		<b>5,891</b>	<b>146</b>	<b>1,353</b>	<b>7,390</b>
<b>Expenditure:</b>					
Charitable activities		5,607	226	1,082	6,915
<b>Total expenditure</b>	4	<b>5,607</b>	<b>226</b>	<b>1,082</b>	<b>6,915</b>
Net gains on investments	9	195	0	27	222
<b>Net income/(expenditure)</b>		479	(80)	298	697
Transfers between funds		(26)	26	0	-
<b>Other recognised gains/(losses):</b>					
Actuarial (losses)/gains on Pension Plan	13	(1,047)	-	-	(1,047)
<b>Net movement in funds</b>		<b>(594)</b>	<b>(54)</b>	<b>298</b>	<b>(350)</b>
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>		1,524	6,308	2,291	10,123
<b>Total funds carried forward</b>	14	<b>930</b>	<b>6,254</b>	<b>2,589</b>	<b>9,773</b>