



**Annual Report of the Council and
Financial Statements for the year ended
31 December 2022**

Registered charity number 1097899

Council, Officers and Committee Chairs

Council and Officers

President

Juliet Davenport OBE HonFEI

Vice-Presidents

Greg Jackson FEI
The Rt. Hon Prof Charles Hendry CBE HonFEI
Aleida Rios CEng FEI

Vice-President & Honorary Secretary

Dame Vivienne Cox DBE FEI

Honorary Treasurer

Simardeep Soor ACA FEI

Young Member Representative

Michael Howie AMEI

Other Members of Council

Prof John Currie CEng FEI
Prof Robert Gross FEI
Andrew Hadland AMEI
Lisa Rebora FEI
Emily Spearman CEng FEI
Dr Joanne Wade OBE FEI

Committees

NC

NC

NC

NC

NC, HR

FAC

YPC

PAC

EAP

STAC

PAC

Senior Management

Chief Executive

Dr Nick Wayth CEng FEI FIMechE

Good Practice Director

Martin Maeso CEnv 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) Lisa Rebora FEI

Energy Advisory Panel (EAP)

Prof Robert Gross FEI

Nominations Committee (NC)

President

Young Professionals Council (YPC)

Michael Howie 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
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 2022

Council presents its Report and the Financial Statements for the year ended 31 December 2022.

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 1st 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 Lisa Reborá FEI and Michael Howie AMEI who were appointed to Council at the AGM on 6 July 2022. Sinead Obeng AMEI and Steve Holliday FREng FEI retired from Council at the AGM on 6 July 2022

Gender diversity is now 54%:46% female, male respectively. Ethnic diversity is now 15% (2021: 23%) 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 2023 planned activities, Council has identified the following priority risks:

Revenue control and cashflow remains a key risk due to the downturn in the financial markets and inflation driving up costs. The senior leadership team will closely monitor main revenue streams, such as membership, events and training, to ensure costs are being controlled in line with any forecasted drop in income. For 2023, a new strategy for the EI's events programme has been developed which will align with our unique energy wide research topics and specialisms so not to compete with commercially crowded event topics.

Assessing the risks around the EI's 2030 strategy, and the associated investment plan, is vital to ensuring a successful outcome. Council reviewed 2023 plans and the associated risks of not delivering key objectives, attracting talent to drive strategic ambitions and return on investment. Alongside existing plans, an opportunity was presented at the end of 2022, aligning with a key strategic theme, a new activity which presented a new set of risks to access. A set of conditions were set to ensure financial and operational risks were minimised before agreeing to take on a well-regarded industry statistical review of world energy.

After much consideration and with risks assessed, the launch of the EI's New Energy World member magazine was launched in 2022, providing a weekly digital magazine and most recently a quarterly printed compendium for professional members who prefer a hard copy version. Given this was a significant change after a long period of having two magazines, we continue to assess any risks to member satisfaction by monitoring digital open rates and feedback from members.

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

Coming out of the pandemic, the EI's context continued to drive much of its activity during 2022, with the emerging energy supply and price crisis sparked by Russia's invasion of Ukraine. This compounded with the ongoing climate crisis. The EI has sought to reinforce its relevance through its 'triple crisis/triple response' narrative.

Alongside this, 2022 has seen intensification of efforts designed to deliver on the EI's new, clearer strategic purpose, with new projects either being delivered or scoped across three strategic themes.

Activities during 2022 included:

Attracting, developing and equipping the diverse future energy workforce

- Scoping work on new ways of engaging with and packaging services for employees of company members
- Scoping work on a new platform to enable members to engage with each other and develop special interest groups
- Development of routes to fellowship in particular in key geographies and demographics
- Continued support for and visibility of role in POWERful Women, the Energy Leaders Coalition, Generation 2050, the EI Big Bang Climate Change Award, and Pride in Energy
- Work to consolidate existing training offer with net zero programme and scope out EI Academy, aimed at being a leading global net zero training platform
- EI Assist relaunched with an enhanced offer of 24/7 advice to members and their families
- EI Awards held in person for the first time in three years, hosted by Steph McGovern.

Informing energy decision making through convening expertise and advice

- Hosted 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
- Presented inaugural President's Award, building on the 90-year legacy of the earlier Cadman and Melchett Awards, to sustainable energy thought leader Rachel Kyte CMG
- Further developed other conferences including Powering Net Zero and Middle East HSE & Sustainability
- Launched new online and printed quarterly 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.
- Published Energy Barometer 2022: CRISIS RESPONSE – focused on the response in the UK to the triple security, price and climate crisis.
- Developed further knowledge content, including publication of the Energy and Carbon Management Essentials Guide
- Delivered Energy Fundamentals course to 100s of UK Business department officials, over four half-day sessions
- Played a leading role in sector collaborations including Sustainable Markets Initiative, National Engineering Policy Centre, Methane Guiding Principles.

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

- Record number of good practice documents published including first outputs from the hydrogen and CCUS projects
- Built a work programme in integrated power systems and scoped out further projects focused on sectoral and cross-cutting priorities
- Secured new technical partners, with a focus on key geographies
- Expanded Toolbox user base in diverse sectors and geographies – reaching 46,000 users, providing learning from 500 real life incidents in ten languages
- Annual incident data published by G+ and SafetyOn for offshore and onshore wind sectors respectively
- Partnership with John Lewis Partnership to roll out the EI's EnergyAware behaviour change training to staff across the 76,000 strong workforce.

Changes to the make-up of Council also occurred mid-year, notably with the passing of the Presidency from Steve Holliday FREng FEI to Juliet Davenport OBE HonFEI.

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 2022, net of management fees, was -10.3% against a benchmark of -6.9% and compared with the ARC steady growth charity index of -9.61%. 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 £7,733,000 (2021: £7,178,000) and expenditure of £8,000,000 (2021: £7,058,000). Unrestricted income in the year increased by £650,000 to £5,975,000 (2021: £5,325,000) showing some post pandemic recovery.

Unrestricted general reserves, excluding loss on investment, produced an operating deficit of £367,000 (2021: £11,000 surplus). The net loss on investments of £507,000 (2021: £237,000 gain) resulted in net expenditure of £874,000 (2021: £248,000 net income). After taking account of movements on restricted reserves and the designated reserves, this resulted in total net expenditure of £817,000 (2021: £391,000 net income). Actuarial gains of £966,000 (2021: £417,000) on the pension scheme contributed to a net gain in funds of £149,000 (2021: £808,000) for the year.

At the end of 2022, the EI group had net assets of £10,766,000 (2021: £10,617,000), 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 £4,784,000 (2021: £5,339,000) at the end of 2022, sufficient to meet the EI's obligations to creditors and restricted funds. There was an increase of £902,000 (2021: £354,000 decrease) in the estimated surplus on the pension plan from 2022, this is reflected in the balance sheet under the Financial Reporting Standard 102 as a pension plan surplus of £696,000 (2021: deficit £206,000).

Operational reserves

The Energy Institute's consolidated free reserves at 31 December 2022 totalled £905,000 (2021: £1,814,000), representing total unrestricted funds of £7,796,000 (2021: £7,807,000) less those held in tangible fixed assets of £6,114,000 (2021: £6,088,000), those designated for particular projects or purposes of £81,000 (2021: £111,000) and excluding the pension reserve surplus of £696,000 (2021: deficit £206,000).

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

- The Institute is budgeting breakeven in 2023 which includes investments made in 2022, there is a further growth investment plan of £130,000 dependent on Q1 performance.
- Plans and mechanisms are 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 has good cash reserves early in the year which is utilised over the course of the year
- The Institute holds around £3.9m of liquid investments, approximately one third is unrestricted. This core level of investment is unlikely to change significantly in value given amounts utilised are replaced with new income 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 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 EI's Council led by the new President Juliet Davenport OBE HonFEI, and against the backdrop of continuing concerns around the triple crisis, 2023 is set to be another busy year delivering on the EI's strategic themes.

Activities for 2023 will include:

Attracting, developing and equipping the diverse future energy workforce

- The development of the membership offer as well as building the size of membership will be a focus. This includes the launch of an enhanced approach to company members, to attract their employees more directly into the EI, alongside continuing to roll out the new fellowship programme, harmonising our energy efficiency

registers, launching a new platform to enable members to engage with each other and develop special interest groups, and continued support for POWERful Women, Generation 2050, Pride in Energy and others.

- The EI's training offering will also develop during 2023, with the launch of EI Academy bringing together courses in executive leadership in energy, delivering net zero for energy managers and senior management stakeholders, hydrogen, energy fundamentals as well as soft skills.

Informing energy decision making through convening expertise and advice

- The annual Energy Barometer survey will this year be focused on UAE rather than UK, aiming to support engagement and membership growth in the COP28 host country. A new Energy Essentials guide on energy-intensive industries and a revision to the Essentials Guide to hydrogen will be published.
- Continued deepening of relationships in the UK policy making sphere, focused on the new Department for Energy Security and Net Zero, including further delivery of the Energy Fundamentals course for new civil servants. Government and regulatory relationships will also be pursued in focus geographies: Malaysia, Singapore, UAE, Bahrain and Nigeria. And we will continue to take active roles in collaborative initiatives such as Sustainable Markets Initiative, National Engineering Policy Centre and Methane Guiding Principles
- The EI conferencing programme will continue to bring professionals together, with a major focus being International Energy Week returning as a three-day conference for the first time in three years, bringing together industry leaders and influencers to discuss 'transitioning out of crisis' The week will also include the President's Award being presented at the gala dinner.

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

- Continued growth in the technical and innovation good practice programme in support of transition technologies, in particular with funded activity on hydrogen and CCUS and a deepening relationship with IDRIC. Additional technical partners and technical company members will be sought, with a focus on companies working in the transition space, and on building global relevance in key geographies.
- A partnership with Money Saving Expert to provide the home version of EnergyAware to the public free of charge will be launched and promoted, helping consumers reduce their energy use, bills and emissions. Further commercial opportunities will be sought with corporate customers.

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.



Juliet Davenport OBE HonFEI
President


Simardeep Soor (Apr 6, 2023 15:11 GMT+1)

Simardeep Soor ACA FEI
Honorary Treasurer

30 March 2023

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 2022, 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 2022 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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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

Haysmacintyre LLP
Statutory Auditor

10 Queen Street Place,
London
EC4R 1AG

Date: 20/04/23

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 2022
 (Including consolidated income and expenditure)

		2022	2022	2022	2022	2021
		Unrestricted		Restricted	Total	Total
Note		General reserve	Designated reserve	reserve	reserves	reserves
		£'000	£'000	£'000	£'000	£'000
Income:						
<i>Income from charitable activities:</i>						
	Members' subscriptions	1,745	-	-	1,745	1,733
	Charitable activities	3,714	159	1,586	5,459	4,911
	Other trading activities	403	-	-	403	368
3		5,862	159	1,586	7,607	7,012
	Government grants	6	-	-	6	56
	Investments	107	-	13	120	110
	Total income	5,975	159	1,599	7,733	7,178
Expenditure:						
	Charitable activities	6,135	262	1,396	7,793	6,912
	Other trading activities	207	-	-	207	146
4	Total expenditure	6,342	262	1,396	8,000	7,058
	Net (losses)/gains on investments	(507)	-	(43)	(550)	271
	Net (expenditure)/income	(874)	(103)	160	(817)	391
	Transfers between funds	(99)	99	-	-	-
Other recognised gains/(losses):						
12	Actuarial gains on Pension Plan	966	-	-	966	417
	Net movement in funds	(7)	(4)	160	149	808
Reconciliation of funds:						
	Total funds brought forward	1,608	6,199	2,810	10,617	9,809
14	Total funds carried forward	1,601	6,195	2,970	10,766	10,617

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 2022
 (Including income and expenditure account)

Note	2022	2022	2022	2022	2021
	General reserves £'000	Unrestricted Designated reserve £'000	Restricted reserves £'000	Total reserves £'000	Total reserves £'000
Income:					
<i>Income from charitable activities:</i>					
Members' subscriptions	1,742	-	-	1,742	1,722
Charitable activities	3,482	159	1,586	5,227	4,791
3	5,224	159	1,586	6,969	6,513
Government grants	6	-	-	6	56
Donations	196	-	-	196	222
Investments	106	-	13	119	110
Total income	5,532	159	1,599	7,290	6,901
Expenditure:					
Charitable activities	5,936	262	1,396	7,594	6,794
Total expenditure	5,936	262	1,396	7,594	6,794
Net (losses)/gains on investments	(507)	-	(43)	(550)	271
Net (expenditure)/income	(911)	(103)	160	(854)	378
Transfers between funds	(99)	99	-	-	-
Other recognised gains/(losses):					
Actuarial gains on Pension Plan	966	-	-	966	417
Net movement in funds	(44)	(4)	160	112	795
Reconciliation of funds:					
Total funds brought forward	1,559	6,199	2,810	10,568	9,773
Total funds carried forward	1,515	6,195	2,970	10,680	10,568

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 2022

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed assets:					
Tangible assets	8	6,114	6,088	6,114	6,088
Investments	9	3,902	4,052	3,902	4,052
Total fixed assets		10,016	10,140	10,016	10,140
Current assets:					
Debtors	10	1,996	972	1,969	952
Short term deposits		149	623	149	623
Bank and cash		733	664	92	468
Total current assets		2,878	2,259	2,210	2,043
Liabilities:					
Amounts falling due within one year	11	(2,824)	(1,576)	(2,242)	(1,409)
Net current assets		54	683	(32)	634
Total assets less current liabilities		10,070	10,823	9,984	10,774
<i>Net assets excluding pension liability</i>		10,070	10,823	9,984	10,774
Pension Scheme deficit	12	696	(206)	696	(206)
Total net assets		10,766	10,617	10,680	10,568
The funds of the charity:					
<i>Unrestricted reserves</i>					
General reserve	13	905	1,814	819	1,765
Pension reserve		696	(206)	696	(206)
Designated reserves		6,195	6,199	6,195	6,199
		7,796	7,807	7,710	7,758
<i>Restricted reserves</i>	13	2,970	2,810	2,970	2,810
Total group and charity funds		10,766	10,617	10,680	10,568

These financial statements were approved and authorised for issue by Council on 30 March 2023 and signed on its behalf by:



Juliet Davenport OBE HonFEI
President



Simardeep Soor (Apr 6, 2023 15:11 GMT+1)

Simardeep Soor ACA FEI
Honorary Treasurer

Cash flow Statement for the year ended 31 December 2022	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
Net (deficit)/Income for the reporting period (as per the statement of financial activities)	(817)	391	(854)	378
Losses/(Gains) on investments	550	(271)	550	(271)
Investment income	(120)	(110)	(119)	(110)
Depreciation of tangible fixed assets	73	82	73	82
(Increase)/Decrease in debtors	(1,024)	679	(1017)	946
Increase/(Decrease) in creditors	1,248	(1,293)	833	(1,269)
Non-cash operating movement in pension scheme asset	64	63	64	63
Net cash used in operating activities	(26)	(459)	(470)	(181)
Cash flows from investing activities:				
Investment income	120	110	119	110
Payments to acquire investments	(400)	-	(400)	-
Payments to acquire tangible fixed assets	(99)	(24)	(99)	(24)
Net cash (used)/provided by investing activities	(379)	86	(380)	86
Cash flows from financing activities:				
Change in cash and cash equivalents in the year	(405)	(373)	(850)	(95)
Cash and cash equivalents at the beginning of the year	1,287	1,660	1,091	1,186
Cash and cash equivalents at the end of the year	882	1,287	241	1,091

Analysis of changes in net debt of Group	1 January 2022	Cash flow	31 December 2022
	£'000	£'000	£'000
Cash at bank and in hand	664	69	733
Short term deposits	623	(474)	149
Total cash and cash equivalents	1,287	(405)	882
Analysis of changes in net debt of Charity	1 January 2022	Cash flow	31 December 2022
	£'000	£'000	£'000
Cash at bank and in hand	468	(376)	92
Short term deposits	623	(474)	149
Total cash and cash equivalents	1,091	(850)	241

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 1st 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).

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

The impact the war in Ukraine has had on the financial markets and inflation impacting costs has meant another year of financial challenges, however this has not deterred the leadership team from executing the new strategy investment plans for future growth. Tight budgetary control will be required in 2023 with built in flexibility if revenue stream do not meet expectations. 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.

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

Notes on the financial statements

Note 1 - Accounting Policies (continued)

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.

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.

Notes on the financial statements

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. The FRS 102 valuation has presented a surplus in the fund. The next pension plan triennial valuation will be for the year ended 31 December 2022 and is likely to result in a surplus, historically the employer has recovered some of the surplus by transferring the annual administration expense obligation to the plan and reducing the employer contributions.

Note 3 - Incoming resources from charitable and other trading activities

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Membership subscriptions	1,761	1,735	1,758	1,724
Knowledge sharing activities	1,172	986	770	618
Skills development activities	1,103	871	871	750
Good practice activities	3,546	3,400	3,546	3,400
Other	25	20	24	21
	7,607	7,012	6,969	6,513

Note 4 – 2022 Expenditure on charitable and other trading activities

	Direct costs Staff £'000	Direct costs Other £'000	Support costs £'000	2022 Total £'000
Good practice activities	1,403	1,868	498	3,769
Knowledge sharing activities	821	503	664	1,988
Skills development activities	563	437	332	1,332
External affairs	291	48	166	505
Charitable activities	3,078	2,856	1,660	7,594
Charitable and other trading expenditure in subsidiaries	-	406	-	406
Group total	3,078	3,262	1,660	8,000

Note 4 – 2021 Expenditure on charitable activities 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 excluding exceptional cost	2,832	2,553	1,409	6,794
Charitable and other trading expenditure in subsidiaries	-	264	-	264
Group total	2,832	2,817	1,409	7,058

Note 5 – Analysis of support costs

	2022	2021
	£'000	£'000
Support staff costs	1,116	943
Building facilities and services	183	197
Management & Human Resources	110	71
Finance	66	59
Information Technology	185	139
	1,660	1,409

Included in support costs are governance costs relating to:

	2022	2021
	£'000	£'000
Auditor's remuneration	26	22
Actuarial	3	3
Legal and consultancy	20	23
Salaries	5	5
	54	53

Note 6 – Staff costs

	2022	2021
	£'000	£'000
Salaries	2,980	2,725
Social security	352	301
Stakeholder pension	245	239
Defined benefit pension service cost	160	162
Redundancy	61	-
Temporary/sub-contract staff	324	278
Other staff related costs	72	70
	4,194	3,775

The average number of employees was 79 (2021: 77).

The following numbers of staff have salaries above £60,000:	2022	2021
Between £60,000-£70,000	3	3
Between £70,001-£80,000	2	1
Between £80,001-£90,000	1	2
Between £90,001-£100,000	-	1
Between £100,001-£110,000	2	-
Between £160,001-£170,000	-	1
Between £170,001-£180,000	1	-

Pension contributions paid in respect of these individuals totalled £152,000 (2021: £102,000).

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 (2021: no trustees). Trustees' expenses for travel and accommodation reimbursed during the year amounted to £4,144 (2021: £885) in respect of 4 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 £697,000 (2021: £633,000).

Notes on the financial statements

Note 7 – Subsidiary undertakings

Energy Institute has 3 trading international branch subsidiaries and 1 UK trading subsidiary, which are controlled by the Charity.

EI Services Limited was incorporated on 17 May 2017, a wholly owned UK subsidiary company of Energy Institute, limited by shares.

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.

Trading subsidiaries' results	EI Services Ltd	Energy Institute Hong Kong (branch) Ltd	Energy Institute Nigeria Ltd	Energy Institute Singapore Ltd	Total 2022	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	403	158	112	2	675	493
Cost of sales	(201)	(148)	(66)	(1)	(416)	(232)
Gross profit	202	10	46	1	259	261
Admin/other costs	(6)	(5)	(15)	(4)	(30)	(44)
Trading profit/(loss)	196	5	31	(3)	229	217
Grants paid from EI	-	-	23		23	7
Net income/ (outgoings)	196	5	54	(3)	252	224
Amount payable by qualifying charitable donation to Energy Institute	(196)	-	-	-	(196)	(222)
Retained profit brought forward	-	31	4	4	39	37
Retained profit carried forward and net assets	-	36	58	1	95	39

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
a) Cost					
Cost at 1 January 2022	4,250	2,220	273	573	7,316
Additions	-	-	42	57	99
Cost at 31 December 2022	4,250	2,220	315	630	7,415
b) Depreciation					
Depreciation at 1 January 2022	462	122	133	511	1,228
Charge for the year	-	22	15	36	73
Depreciation at 31 December 2022	462	144	148	547	1,301
Net book value at 31 December 2022	3,788	2,076	167	83	6,114
Net book value at 31 December 2021	3,788	2,098	140	62	6,088

The lease on the premises at 61 New Cavendish Street has 936 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 is a capital commitment of £24,000 at 31 December 2022, this represents the remaining cost of the external building redecoration (2021: None).

Note 9 – Investments (Group and Charity)

Sarasin Endowments Fund	£
<i>Long term investments</i>	£'000
Market values	
01-Jan-22	4,052
Additions	400
Net Loss on revaluation	(550)
31-Dec-22	3,902
Historical cost	
01-Jan-22	2,451
31-Dec-22	2,852

Council are aware of the current volatility in the investment markets. Council are not expecting to require disposal of the long term investment portfolio in the foreseeable future but may draw upon the medium term portfolio if required.

Unlisted investments

The Energy Institute has 100 ordinary shares of £1, in EI services Ltd.

Notes on the financial statements
Note 10 – Debtors

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	1,669	718	1,665	700
Prepayments and accrued income	327	254	304	252
	1,996	972	1,969	952

Note 11 – Creditors

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	436	206	177	212
Taxation and social security	158	168	137	154
Accruals	434	315	430	310
Deferred Income	1,796	887	1,498	733
	2,824	1,576	2,242	1,409

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 66 (2021: 72) employees were £245,000 (2021: £239,000). 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 2022, 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

	31 December 2022 % a year	31 December 2021 % a year
Principal actuarial assumptions		
Discount rate	4.8%	1.9%
Retail Price Inflation	3.3%	3.6%
Consumer Price Inflation	2.8%	3.1%
Salary growth	2.2%	2.9%
Rate of increases to pensions in payment		
– Price inflation (CPI) subject to a maximum of 2.5% p.a.	1.8%	1.9%
– Price inflation (CPI) subject to a maximum of 3% p.a.	2.1%	2.2%
– Price inflation (CPI) subject to a maximum of 5% p.a.	2.7%	2.9%
– Price inflation (CPI) subject to a maximum of 5% p.a. and a minimum of 3% p.a.	3.6%	3.7%
Demographic assumptions		
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%

	2022 Males	2022 Females	2021 Males	2021 Females
Assumed life expectancy at aged 65				
Current pensioners	21.9 years	24.3 years	21.8 years	24.1 years
Retiring in 20 years	23.0 years	25.4 years	22.8 years	25.3 years

	31 December 2022 £'000	31 December 2021 £'000
Changes in fair value of plan assets		
Opening fair value of plan assets	9,647	9,862
Employer contributions	100	103
Employee contributions	26	26
Benefits paid	(357)	(359)
Expenses paid	(16)	(15)
Expected return on scheme assets	181	136
Actuarial gain/ (losses) on assets	(2,394)	(106)
Closing fair value of plan assets	7,187	9,647
Actual return on plan assets	(2,213)	30

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

Asset Allocation	31 December 2022	31 December 2021
Diversified Growth Fund	56.2%	52.2%
Bonds	26.6%	29.2%
Gilts	15.6%	17.8%
Cash	1.6%	0.8%

Movement in assets during the period

	31 December 2022	31 December 2021
	£'000	£'000
Changes in present value of defined benefit obligation		
Opening defined benefit obligation	9,853	10,422
Current service cost	143	142
Employee contributions	26	26
Interest cost	186	145
Benefits paid	(357)	(359)
Remeasurement loss/(gain) on defined benefit obligation:		
- Impact of experience	(114)	(148)
- Impact of amended financial assumptions	(3,474)	(375)
- Impact of amended mortality assumptions	-	-
Closing defined benefit obligation	6,491	9,853

Pension expense

	31 December 2022	31 December 2021
	£'000	£'000
Analysis of the amount charged to income and expenditure		
Current service cost	(143)	(142)
Expenses	(16)	(15)
Interest on net liability	(5)	(9)
	(164)	(166)

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 2022	31 December 2021
	£'000	£'000
Other comprehensive income		
Actual less expected return on plan assets	(2,394)	(106)
Experience gains/(losses) on liabilities	(114)	148
Change in assumptions	3,474	375
Actuarial (loss)/gain recognised in OCI	966	417

	31 December 2022	31 December 2021
	£'000	£'000
Balance sheet position		
Present value of defined benefit obligation	(6,491)	(9,853)
Fair value of plan assets	7,187	9,647
Net defined benefit pension (liability)/asset	696	(206)

Notes on the financial statements
Note 13 – 2022 Group Reserves

	1 January 2022	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2022
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	1,814	5,975	(6,278)	(606)	905
<i>Pension reserve</i>	(206)	-	(64)	966	696
	1,608	5,975	(6,342)	360	1,601
<i>Designated reserves</i>					
Powerful Women reserve	97	147	(179)	-	65
UK WPC reserve	15	12	(10)	-	17
Fixed asset reserve	6,087	-	(73)	99	6,113
	6,199	159	(262)	99	6,195
Total unrestricted reserves	7,807	6,134	(6,604)	459	7,796
Restricted reserves					
Partner technical projects	1,864	1,533	(1,363)	-	2,034
Shell hearts and minds	410	38	(21)	-	427
General prize fund	6	-	-	-	6
Benevolent fund	530	28	(12)	(43)	503
Total restricted reserves	2,810	1,599	(1,396)	(43)	2,970
Total Reserves	10,617	7,733	(8,000)	416	10,766

Note 13 – 2022 Charity Reserves

	1 January 2022	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2022
	£'000	£'000	£'000	£'000	£'000
Unrestricted reserves					
<i>General reserves</i>	1,765	5,532	(5,872)	(606)	819
<i>Pension reserve</i>	(206)	-	(64)	966	696
	1,559	5,532	(5,936)	360	1,515
<i>Designated reserves</i>					
Powerful Women reserve	97	147	(179)	-	65
UK WPC reserve	15	12	(10)	-	17
Fixed asset reserve	6,087	-	(73)	99	6,113
	6,199	159	(262)	99	6,195
Total unrestricted reserves	7,758	5,691	(6,198)	459	7,710
Restricted reserves					
Partner technical projects	1,864	1,533	(1,363)	-	2,034
Shell hearts and minds	410	38	(21)	-	427
General prize fund	6	-	-	-	6
Benevolent fund	530	28	(12)	(43)	503
Total restricted reserves	2,810	1,599	(1,396)	(43)	2,970
Total Reserves	10,568	7,290	(7,594)	416	10,680

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
Unrestricted reserves					
<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>					
Powerful Women reserve	93	221	(217)	-	97
UK WPC reserve	14	6	(5)	-	15
Fixed asset reserve	6,147	-	(83)	23	6,087
	6,254	227	(305)	23	6,199
Total unrestricted reserves	7,220	5,552	(5,619)	654	7,807
Restricted reserves					
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
Total restricted reserves	2,589	1,626	(1,439)	34	2,810
Total Reserves	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
Unrestricted reserves					
<i>General reserves</i>	1,490	5,048	(4,987)	214	1,765
<i>Pension reserve</i>	(560)	-	(63)	417	(206)
	930	5,048	(5,050)	631	1,559
<i>Designated reserves</i>					
Powerful Women reserve	93	221	(217)	-	97
UK WPC reserve	14	6	(5)	-	15
Fixed asset reserve	6,147	-	(83)	23	6,087
	6,254	227	(305)	23	6,199
Total unrestricted reserves	7,184	5,275	(5,355)	654	6,199
Restricted reserves					
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
Total restricted reserves	2,589	1,626	(1,439)	34	2,810
Total Reserves	9,773	6,901	(6,794)	688	10,568

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 – 2022 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-22
	£'000	£'000	£'000	£'000
Unrestricted reserves	1,050	(145)	-	905
Pension reserve	-	-	696	696
Designated reserves	6,114	81	-	6,195
	7,164	(64)	696	7,796
Restricted reserves	2,852	118	-	2,970
Total	10,016	54	696	10,766

Note 14 – 2022 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-22
	£'000	£'000	£'000	£'000
Unrestricted reserves	1,050	(231)	-	819
Pension reserve	-	-	696	696
Designated reserves	6,114	81	-	6,195
	7,164	(150)	696	7,710
Restricted reserves	2,852	118	-	2,970
Total	10,016	(32)	696	10,680

Notes on the financial statements

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	-	1,765
Pension reserve	-	-	(206)	(206)
Designated reserves	6,088	111	-	6,199
	7,632	332	(206)	7,758
Restricted reserves	2,508	302	-	2,810
Total	10,140	634	(206)	10,568

Note 15 – Related party transactions

Transactions during the year with EI services Ltd, resulted in an amount due to the Energy Institute totalling £118,000 (2021: due to EI £34,000). Energy Institute raised invoices to EI Services Ltd totalling £145,000 (2021: £138,000) 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 2021
(Including consolidated income and expenditure)

		2021	2021	2021	2021
		Unrestricted		Restricted	Total
	Note	General reserves £'000	Designated reserve £'000	reserves £'000	reserves £'000
Income:					
<i>Income from charitable activities:</i>					
Members' subscriptions		1,733	-	-	1,733
Charitable activities		3,072	227	1,612	4,911
Other trading activities		368	-	-	368
	3	5,173	227	1,612	7,012
Government grants		56	-	-	56
Investments		96	-	14	110
Total income		5,325	227	1,626	7,178
Expenditure:					
Charitable activities		5,168	305	1,439	6,912
Other trading activities		146	-	-	146
Total expenditure	4	5,314	305	1,439	7,058
Net gains on investments	9	237	-	34	271
Net Income/(expenditure)		248	(78)	221	391
Transfers between funds		(23)	23	-	-
Other recognised gains/(losses):					
Actuarial (losses)/gains on Pension Plan	13	417	-	-	417
Net movement in funds		642	(55)	221	808
Reconciliation of funds:					
Total funds brought forward		966	6,254	2,589	9,809
Total funds carried forward	14	1,608	6,199	2,810	10,617

Notes on the financial statements

Note 16 – Comparative Statement of Financial Activities (Continued)

Charity Statement of Financial Activities for the year ended 31 December 2021
(Including income and expenditure account)

		2021 Unrestricted General reserves £'000	2021 Designated reserve £'000	2021 Restricted reserves £'000	2021 Total reserves £'000
	Note				
Income:					
<i>Income from charitable activities:</i>					
Members' subscriptions		1,722	-	-	1,722
Charitable activities		2,952	227	1,612	4,791
	3	4,674	227	1,612	6,513
Government grants		56	-	-	56
Donations		222	-	-	222
Investments		96	-	14	110
Total income		5,048	227	1,626	6,901
Expenditure:					
Charitable activities		5,050	305	1,439	6,794
Total expenditure	4	5,050	305	1,439	6,794
Net gains on investments	9	237	-	34	271
Net income/(expenditure)		235	(78)	221	378
Transfers between funds		(23)	23	-	-
Other recognised gains/(losses):					
Actuarial (losses)/gains on Pension Plan	13	417	-	-	417
Net movement in funds		629	(55)	221	795
Reconciliation of funds:					
Total funds brought forward		930	6,254	2,589	9,773
Total funds carried forward	14	1,559	6,199	2,810	10,568