



**Annual Report of the Council and  
Financial Statements for the year ended  
31 December 2023**

Registered charity number 1097899

## Council, Officers and Committee Chairs

### Council and Officers

#### President

Juliet Davenport OBE HonFEI

### Committees

NC

#### Vice-Presidents

Greg Jackson FEI

The Rt. Hon Prof Charles Hendry CBE HonFEI

Aleida Rios CEng FEI

NC

NC

NC, FAC

#### Vice-President & Honorary Secretary

Andy Brown OBE

NC, HR

#### Honorary Treasurer

Simardeep Soor ACA FEI

FAC

#### Young Member Representative

Michael Howie AMEI

YPC

#### 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

PAC

EAP

STAC

PAC

### Senior Management

#### Chief Executive

Dr Nick Wayth CEng FEI FIMEchE

#### Director – Technical and Innovation

Martin Maeso CEnv MEI

#### Director - External Affairs

Nick Turton FEI

#### Director - Finance and Facilities

Ava Longhurst DChA

#### Director – People, Culture and Governance

Zehra Hussain

### Main Committee Chairs

#### Human Resources Committee (HR)

Andy Brown OBE

#### 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](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, Business banking BX1 1LT

#### 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 2023

Council presents its Report and the Financial Statements for the year ended 31 December 2023.

### 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 Andy Brown OBE who was appointed to Council at the AGM on 6 July 2023. Vivienne Cox CBE FEI retired from Council at the AGM on 6 July 2023

Gender diversity is now 46%:54% female, male respectively. Ethnic diversity is now 15% (2022: 15%) 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 2024 planned activities, Council has identified the following priority risks:

The EI's 2030 strategy is top priority to ensure risks are well managed and appropriate KPI's are in place to deliver on the strategic themes. Council reviewed 2024 plans and identified associated risk against the key objectives. In order to reduce the risk of not meeting the projected growth in membership, we are launching a new employee scheme which will engage individuals of our company members, providing them with better access to benefits and the route to professional membership. Our digital strategy aims to reduce the risk of ineffective systems which may lead to slower recruitment of professional members, and providing an effective CPD programme to ensure continued and new training needs is important to retaining our members.

A high proportion of the strategy is investment is dependent on human resource and therefore success depends on attraction of strong strategic leaders and people management. As the organisation grows, the need for effective procedures, new and updated policies is ever more important.

Recognising there are some long serving senior leaders with a wealth of knowledge and experience, the need for effective succession planning has highlighted the importance of ensuring knowledge transfer is maintained within teams. To manage this risk, a succession planning review and action plan for critical roles will take place in the coming year.

Revenue and cashflow remains a risk, however, strong 2023 financial results has reduced the risk scoring since the last assessment. Looking ahead, an effective marketing strategy is key to promote the strategic developments made so far and deliver a return on investment. The risk of underfunding for the Statistical Review of World Energy increases as the support from its previous owner steps down in 2026. This risk will be greatly reduced with the aim of building up a cohort of supporting partners over the next two years.

As we develop our digital strategy, the reliance on our website and software systems increases our risk of cyber attack, loss of data and access to personal information. The EI digital team have worked hard to ensure our system security is robust and follows cyber security protocol. To manage this risk, organisations need to keep their security up to date and remain vigilant. The digital team maintains the cyber essentials certification and routine cyber-penetration testing.

## 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**

The energy sector continued to be buffeted by the supply and price impacts of the conflict in Ukraine during 2023. On top of this, the increasingly visible impacts of climate change across all continents focused minds on COP28 at the end of the year in Dubai, UAE. The backdrop of this 'triple crisis', a term coined by the EI the previous year, continued to drive much of the EI's activities.

Alongside this, 2023 has seen intensified efforts to deliver on the EI's new, clearer strategic purpose, with projects either being delivered or scoped across three strategic themes, plus the significant addition of the Statistical Review of World Energy.

Activities during 2023 included:

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

- Launch of the EI Academy, bringing together the EI's existing training portfolio with new offerings in Offshore Wind, Net Zero and preparatory work to develop the Executive Leadership in Energy Programme.
- Continued support for and visibility of role in POWERful Women, the Energy Leaders Coalition, TIDE, sponsoring the EI Big Bang Climate Change Award, and supporting for the first time publication of the Pride in Energy annual survey.
- Development of a new employee scheme for 2024 onwards designed to bring employees of company members and technical partners into individual, pre-professional membership of the EI.
- Development of a new platform to enable members to engage with each other and develop special interest groups, also to be launched in 2024.

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

- International Energy Week continued as a three-day in-person event, focused on the theme of 'transitioning out of crisis', with keynotes from industry CEOs, climate scientists, NGOs, both main UK political parties and others.
- President's Award presented to Damilola Ogunbiyi, CEO of Sustainable Energy for All and UN Secretary General Special Representative on Sustainable Energy.
- Published the first EI edition of the Statistical Review of World Energy, after 70+ years with bp. In partnership with KPMG and Kearney, this has significantly enhanced the EI's role and reputation in global energy circles.
- Continued to build the readership of New Energy World, the EI's weekly digital and printed quarterly member magazine, providing a window on the energy transition as it unfolds.
- Made an impact at COP28 in Dubai with the publication of Energy Barometer 2023: UAE in Transition, focused on the view of professionals in the host country, the Statistical Review Country Transition Tracker, alongside multiple speaking engagements for the EI President and CEO.
- Developed further knowledge content, including publication of an Essentials Guide on 'Transition energy intensive industries to net zero'.
- Delivered Energy Fundamentals course to 100s of officials at the new UK Department for Energy Security and Net Zero, 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**

- Technical and Innovation work programme continued to evolve in three key areas to support the transition, with accelerated work on CCUS, power systems and hydrogen.



- 54 technical publications issued – equivalent to one per week.
- Expanded Toolbox user base in diverse sectors and geographies – reaching 53,000 users, providing learning from 500+ real life incidents in eleven languages.
- Annual incident data published by G+ and SafetyOn for offshore and onshore wind sectors respectively, with multiple new companies joining the collaborations.
- A household version of the EI's EnergyAware behaviour change tool was made available to the public in partnership with moneysavingexpert.com.
- Consolidation of the EI's energy management consultant registers into the new Energy Efficiency Experts register.

A significant change to the make-up of Council occurred mid-year when Dame Vivienne Cox FEI stood down after 7 years. She was replaced as Vice President and Honorary Secretary by Andy Brown OBE FEI.

### 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 2023, net of management fees, was 8.7% against a benchmark of 11.7% and compared with the ARC steady growth charity index of 7.51%. 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 10.

During the year the EI's consolidated results comprised income of £9,869,000 (2022: £7,733,000) and expenditure of £9,180,000 (2022: £8,000,000). Unrestricted income in the year increased by £1,401,000 to £7,376,000 (2022: £5,975,000).

Unrestricted general reserves, excluding gain on investment, produced an operating surplus of £294,000 (2022: £367,000 loss). The net gain on investments of £202,000 (2022: £507,000 loss) resulted in net income of £496,000 (2022: £874,000 net expenditure). After taking account of movements on restricted reserves and the designated reserves, this resulted in total net income of £897,000 (2022: £817,000 net expenditure). Actuarial gains of £422,000 (2022: £966,000) on the pension scheme contributed to a net gain in funds of £1,319,000 (2022: £149,000) for the year.

At the end of 2023, the EI group had net assets of £12,085,000 (2022: £10,766,000), analysed in the balance sheet set out on page 12. The primary asset is the long leasehold of the premises at 61 New Cavendish Street.

Listed investments plus cash and bank deposits totalled £5,111,000 (2022: £4,784,000) at the end of 2023, sufficient to meet the EI's obligations to creditors and restricted funds. There was an increase of £490,000 (2022: £902,000) in the estimated surplus on the pension plan from 2023, this is reflected in the balance sheet under the Financial Reporting Standard 102 as a pension plan surplus of £1,186,000 (2022: £696,000).

### Operational reserves

The Energy Institute's consolidated free reserves at 31 December 2023 totalled £1,286,000 (2022: £905,000), representing total unrestricted funds of £8,673,000 (2022: £7,796,000) less those held in tangible fixed assets of £6,082,000 (2022: £6,114,000), those designated for particular projects or purposes of £119,000 (2022: £81,000) and excluding the pension reserve surplus of £1,186,000 (2022: £696,000).

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

- The Institute is budgeting breakeven in 2024 which includes investments made in the last 2 years, there is further growth investments of £150,000 within the budget.
- The overall risk profile of the charity has been assessed and the most significant cost commitments have been identified and built into the minimum reserve level.
- 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 £4m 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 with a minimum level of £800,000 to reduce financial risk and an upper level of £1,200,000 for capital upgrades and future 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 a number of new initiatives either in their second year or about to go live for the first time, 2024 is set to be another busy year delivering on the EI's strategic themes.

Activities for 2024 will include:

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

- A 'member first' strategy aimed at refining and promoting the member offer, including the launch of EI Together digital platform for members to engage with each other and form special interest groups.
- Growth in individual membership by launching and promoting a new scheme to extend individual pre-professional membership to employees of existing and future Company Members and Technical Partners.
- Development of the EI Academy through original training content and partnerships, including the first cohort of the Executive Leadership in Energy Programme.
- Leadership and support for POWERful Women – focused around the tenth anniversary including a high-profile dinner event. Also activities in support of Generation 2050, Pride in Energy, TIDE and others.

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

- The EI conferencing programme will continue to bring professionals together, with a major focus being International Energy Week, which will focus this year on the theme 'In search of the energy transition'. The President's Award and former EI Awards will also be integrated into a new International Energy Awards Dinner.
- The Statistical Review of World Energy and associated materials will be published for the second time by the EI, building on the strong legacy inherited from bp, with our partners KPMG and Kearney.
- The annual Energy Barometer member survey will be focused again on the UK this year looking back over the Barometer's first decade and forwards to the energy policy challenges for the next government.
- Deepening of relationships in the UK policy making sphere, focused on the Department for Energy Security and Net Zero, including delivering the Energy Fundamentals course for new civil servants and, given the approaching General Election, with the Opposition energy team. Government and regulatory relationships will also be fostered in focus geographies, building on the 2023 UAE Barometer.
- Expansion of readership of New Energy World digital weekly through 3 open access months, and promotion of the printed quarterly with the aim of doubling the number of recipients among professional members.
- Active roles in collaborative initiatives including Sustainable Markets Initiative, National Engineering Policy Centre and Methane Guiding Principles.

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

- Deliver the STAC-approved Technical and Innovation programme, publishing more than 50 good practice guidelines through the year and bringing in new partners and technical company members.
- Work with industry stakeholders to review programme scope, including potential new areas in support of the energy transition, including solar and better storage. Also expand engagement with global energy regulators to support safe, efficient and sustainable industry operations.
- Promote greater awareness and use of content through a programme of webinars, more concerted marketing and refreshed presence on the EI website.
- Update and further promote free domestic version of EnergyAware to EI audiences and exposure on MoneySavingExpert website to support consumers to make energy lower carbon, safer, and more efficient.

## **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 18, 2024 16:02 GMT+1)

**Simardeep Soor ACA FEI**  
Honorary Treasurer

18 April 2024



# 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 2023, 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 2023 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](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*

**Haysmacintyre LLP**  
Statutory Auditor

10 Queen Street Place,  
London  
EC4R 1AG

Date: 09/05/24

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 2023**  
**(Including consolidated income and expenditure)**

		2023 Unrestricted General reserve £'000	2023 Designated reserve £'000	2023 Restricted reserve £'000	2023 Total reserves £'000	2022 Total reserves £'000
	Note					
<b>Income:</b>						
<i>Income from charitable activities:</i>						
Members' subscriptions		1,959	-	-	1,959	1,745
Charitable activities		4,817	545	1,934	7,296	5,459
Other trading activities		463	-	-	463	403
	3	7,239	545	1,934	9,718	7,607
Government grants		-	-	-	-	6
Investments		137	-	14	151	120
<b>Total income</b>		<b>7,376</b>	<b>545</b>	<b>1,948</b>	<b>9,869</b>	<b>7,733</b>
<b>Expenditure:</b>						
Charitable activities		6,950	586	1,512	9,048	7,793
Other trading activities		132	-	-	132	207
<b>Total expenditure</b>	4	<b>7,082</b>	<b>586</b>	<b>1,512</b>	<b>9,180</b>	<b>8,000</b>
Net gains/(losses) on investments	9	202	-	6	208	(550)
<b>Net income/(expenditure)</b>		<b>496</b>	<b>(41)</b>	<b>442</b>	<b>897</b>	<b>(817)</b>
Transfers between funds		(47)	47	-	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial gains on Pension Plan	12	422	-	-	422	966
<b>Net movement in funds</b>		<b>871</b>	<b>6</b>	<b>442</b>	<b>1,319</b>	<b>149</b>
<b>Reconciliation of funds:</b>						
<b>Total funds brought forward</b>		<b>1,601</b>	<b>6,195</b>	<b>2,970</b>	<b>10,766</b>	<b>10,617</b>
<b>Total funds carried forward</b>	13,14	<b>2,472</b>	<b>6,201</b>	<b>3,412</b>	<b>12,085</b>	<b>10,766</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.

**Charity Statement of Financial Activities for the year ended 31 December 2023**  
**(Including income and expenditure account)**

		2023 Unrestricted General reserves £'000	2023 Designated reserve £'000	2023 Restricted reserves £'000	2023 Total reserves £'000	2022 Total reserves £'000
Note						
<b>Income:</b>						
<i>Income from charitable activities:</i>						
	Members' subscriptions	1,954	-	-	1,954	1,742
	Charitable activities	4,676	545	1,934	7,155	5,227
3		6,630	545	1,934	9,109	6,969
	Government grants	-	-	-	-	6
	Donations	334	-	-	334	196
	Investments	135	-	14	149	119
	<b>Total income</b>	<b>7,099</b>	<b>545</b>	<b>1,948</b>	<b>9,592</b>	<b>7,290</b>
<b>Expenditure:</b>						
	Charitable activities	6,799	586	1,512	8,897	7,594
4	<b>Total expenditure</b>	<b>6,799</b>	<b>586</b>	<b>1,512</b>	<b>8,897</b>	<b>7,594</b>
9	Net gains/(losses) on investments	202	-	6	208	(550)
	<b>Net income/(expenditure)</b>	<b>502</b>	<b>(41)</b>	<b>442</b>	<b>903</b>	<b>(854)</b>
	Transfers between funds	(47)	47	-	-	-
<b>Other recognised gains/(losses):</b>						
12	Actuarial gains on Pension Plan	422	-	-	422	966
	<b>Net movement in funds</b>	<b>877</b>	<b>6</b>	<b>442</b>	<b>1,325</b>	<b>112</b>
<b>Reconciliation of funds:</b>						
	<b>Total funds brought forward</b>	<b>1,515</b>	<b>6,195</b>	<b>2,970</b>	<b>10,680</b>	<b>10,568</b>
13,14	<b>Total funds carried forward</b>	<b>2,392</b>	<b>6,201</b>	<b>3,412</b>	<b>12,005</b>	<b>10,680</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 2023**

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
<b>Fixed assets:</b>					
Tangible assets	8	6,082	6,114	6,082	6,114
Investments	9	4,110	3,902	4,110	3,902
<b>Total fixed assets</b>		<b>10,192</b>	<b>10,016</b>	<b>10,192</b>	<b>10,016</b>
<b>Current assets:</b>					
Debtors	10	1,812	1,996	2,032	1,969
Short term deposits		13	149	13	149
Bank and cash		988	733	378	92
<b>Total current assets</b>		<b>2,813</b>	<b>2,878</b>	<b>2,423</b>	<b>2,210</b>
<b>Liabilities:</b>					
Amounts falling due within one year	11	(2,106)	(2,824)	(1,796)	(2,242)
<b>Net current assets</b>		<b>707</b>	<b>54</b>	<b>627</b>	<b>-32</b>
<b>Total assets less current liabilities</b>		<b>10,899</b>	<b>10,070</b>	<b>10,819</b>	<b>9,984</b>
<i>Net assets excluding pension liability</i>		10,899	10,070	10,819	9,984
Pension Scheme surplus	12	1,186	696	1,186	696
<b>Total net assets</b>		<b>12,085</b>	<b>10,766</b>	<b>12,005</b>	<b>10,680</b>
<b>The funds of the charity:</b>					
<i>Unrestricted reserves</i>	13				
General reserve		1,286	905	1,206	819
Pension reserve		1,186	696	1,186	696
Designated reserves		6,201	6,195	6,201	6,195
		8,673	7,796	8,593	7,710
<i>Restricted reserves</i>	13	3,412	2,970	3,412	2,970
<b>Total group and charity funds</b>		<b>12,085</b>	<b>10,766</b>	<b>12,005</b>	<b>10,680</b>

These financial statements were approved and authorised for issue by Council on 18 April 2024 and signed on its behalf by:



**Juliet Davenport OBE HonFEI**  
President



Simardeep Soor (Apr 23, 2024 16:02 GMT+1)

**Simardeep Soor ACA FEI**  
Honorary Treasurer

**Cash flow Statement for the year ended 31 December 2023**

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities:</b>				
Net income/(deficit) for the reporting period (as per the statement of financial activities)	897	(817)	903	(854)
(Gains)/Losses on investments	(208)	550	(208)	550
Investment income	(151)	(120)	(149)	(119)
Depreciation of tangible fixed assets	79	73	79	73
Decrease/(Increase) in debtors	184	(1,024)	(63)	(1,017)
(Decrease)/Increase in creditors	(718)	1,248	(446)	833
Non-cash operating movement in pension scheme asset	(68)	64	(68)	64
<b>Net cash used in operating activities</b>	<b>15</b>	<b>(26)</b>	<b>48</b>	<b>(470)</b>
<b>Cash flows from investing activities:</b>				
Investment income	151	120	149	119
Payments to acquire investments	-	(400)	-	(400)
Payments to acquire tangible fixed assets	(47)	(99)	(47)	(99)
<b>Net cash (used)/provided by investing activities</b>	<b>104</b>	<b>(379)</b>	<b>102</b>	<b>(380)</b>
<b>Cash flows from financing activities:</b>				
<b>Change in cash and cash equivalents in the year</b>	<b>119</b>	<b>(405)</b>	<b>150</b>	<b>(850)</b>
Cash and cash equivalents at the beginning of the year	882	1,287	241	1,091
<b>Cash and cash equivalents at the end of the year</b>	<b>1,001</b>	<b>882</b>	<b>391</b>	<b>241</b>

**Analysis of changes in net debt of Group**

	1 January 2023	Cash flow	31 December 2023
	£'000	£'000	£'000
Cash at bank and in hand	733	255	988
Short term deposits	149	(136)	13
<b>Total cash and cash equivalents</b>	<b>882</b>	<b>119</b>	<b>1,001</b>

**Analysis of changes in net debt of Charity**

	1 January 2023	Cash flow	31 December 2023
	£'000	£'000	£'000
Cash at bank and in hand	92	286	378
Short term deposits	149	(136)	13
<b>Total cash and cash equivalents</b>	<b>241</b>	<b>150</b>	<b>391</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).

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.

#### d) Going concern

The successful financial outturn in 2023 has improved free reserves and decreased negative financial exposure. A strong 2024 operating plan along with tight budgetary control, monitoring of financial risks and flexibility if revenue streams do not meet expectations, provide the trustees with confidence that the Institute remains a going concern. 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 and companies for the following financial year's membership fees and other agreed projects before the balance sheet date.

#### 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 pension plan triennial valuation for the year ended 31 December 2022 resulted in a surplus of £548,000. According to the Trust Deed and Rules, the Principal Company must agree to surplus assets being used to augment members' benefits and in the event that the Scheme winds up and all liabilities are discharged, any assets then remaining can be paid to the Employer. To recover some of the surplus, the employer and pension trustees have agreed to transfer the annual administration expense obligation to the plan and reduce the employer contributions.

#### Leasehold premises

Following the completion of the refurbishment works in 2016, it was concluded that no further depreciation expense should be recognised in respect of the leasehold premises as any provision would not be material to the accounts due to its very long useful economic life and high residual value. This has been reviewed and Council have concluded that there have been no changes in circumstances.

### Note 3 - Incoming resources from charitable and other trading activities

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Membership subscriptions	1,963	1,761	1,959	1,758
Knowledge sharing activities	2,149	1,172	1,685	770
Skills development activities	1,290	1,103	1,149	871
Good practice activities	4,276	3,546	4,276	3,546
Other	40	25	40	24
	<b>9,718</b>	<b>7,607</b>	<b>9,109</b>	<b>6,969</b>

### Note 4 – 2023 Expenditure on charitable and other trading activities

	Direct costs Staff £'000	Direct costs Other £'000	Support costs £'000	2023 Total £'000
Good practice activities	1,749	2,079	534	4,362
Knowledge sharing activities	855	714	713	2,282
Skills development activities	731	578	356	1,665
External affairs	295	115	178	588
Charitable activities	3,630	3,486	1,781	8,897
Charitable and other trading expenditure in subsidiaries	-	283	-	283
Group total	<b>3,630</b>	<b>3,769</b>	<b>1,781</b>	<b>9,180</b>

## Notes on the financial statements

### Note 4 – 2022 Expenditure on charitable activities 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	<b>3,078</b>	<b>3,262</b>	<b>1,660</b>	<b>8,000</b>

### Note 5 – Analysis of support costs

	2023 £'000	2022 £'000
Support staff costs	1,106	1,116
Building facilities and services	215	183
Management & Human Resources	168	110
Finance	84	66
Information Technology	208	185
	<b>1,781</b>	<b>1,660</b>

Included in support costs are governance costs relating to:

	2023 £'000	2022 £'000
Auditor's remuneration	28	26
Actuarial	4	3
Legal and consultancy	39	20
Salaries	5	5
	<b>76</b>	<b>54</b>

### Note 6 – Staff costs

	2023 £'000	2022 £'000
Salaries	3,597	2,980
Social security	400	352
Stakeholder pension	256	245
Defined benefit pension service cost	17	160
Redundancy	24	61
Temporary/sub-contract staff	387	324
Other staff related costs	53	72
	<b>4,734</b>	<b>4,194</b>

### Remuneration of key management personnel

The key management personnel of the Energy Institute comprise of 4 directors and chief executive. Total remuneration, employer's national insurance contributions and pensions for these key management personnel were £629,000 (2022: £697,000).

## Notes on the financial statements

### Note 6 – Staff costs (continued)

The average number of employees was 90 (2022: 79).

The following numbers of staff have salaries above £60,000:	2023	2022
Between £60,000-£70,000	1	3
Between £70,001-£80,000	4	2
Between £80,001-£90,000	1	1
Between £90,001-£100,000	1	-
Between £100,001-£110,000	1	2
Between £170,001-£180,000	-	1
Between £180,001-£190,000	1	-

Pension contributions paid in respect of these individuals totalled £101,000 (2022: £152,000).

### 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 (2022: no trustees). Trustees' expenses for travel and accommodation reimbursed during the year amounted to £8,442 (2022: £4,144) in respect of 4 trustees.

### 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 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	465	123	38	-	626	675
Cost of sales	(124)	(127)	(22)	-	(273)	(416)
Gross profit	341	(4)	16	-	353	259
Admin/other costs	(7)	(2)	(12)	(2)	(23)	(30)
Trading profit/(loss)	334	(6)	4	(2)	330	229
Grants paid from EI	-	-	-	3	3	23
Net income/ (outgoings)	334	(6)	4	1	333	252
Amount payable by qualifying charitable donation to Energy Institute	(334)	-	-	-	(334)	(196)
Retained profit brought forward	-	36	58	1	95	39
Retained profit carried forward and net assets	-	30	62	2	94	95

## Notes on the financial statements

## Note 8 - Tangible fixed assets (Group and Charity)

	Leasehold premises	Leasehold improvements	Plant and equipment	ICT, Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000
<b>a) Cost</b>					
Cost at 1 January 2023	4,250	2,220	315	630	7,415
Additions	-	-	-	47	47
Disposals	-	-	-	(110)	(110)
<b>Cost at 31 December 2023</b>	<b>4,250</b>	<b>2,220</b>	<b>315</b>	<b>567</b>	<b>7,352</b>
<b>b) Depreciation</b>					
Depreciation at 1 January 2023	462	144	148	547	1,301
Charge for the year	-	22	16	41	79
	-	-	-	(110)	(110)
<b>Depreciation at 31 December 2023</b>	<b>462</b>	<b>166</b>	<b>164</b>	<b>478</b>	<b>1,270</b>
<b>Net book value at 31 December 2023</b>	<b>3,788</b>	<b>2,054</b>	<b>151</b>	<b>89</b>	<b>6,082</b>
<b>Net book value at 31 December 2022</b>	<b>3,788</b>	<b>2,076</b>	<b>167</b>	<b>83</b>	<b>6,114</b>

The lease on the premises at 61 New Cavendish Street has 935 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. In 2016, Council reviewed the categorisation, depreciable amounts and useful economic lives of tangible fixed assets following the completion of the refurbishment works. It was concluded that no further depreciation expense should be recognised in respect of the leasehold premises as any provision would not be material to the accounts due to its very long useful economic life and high residual value. This has been reviewed and Council have concluded that there have been no changes in circumstances.

**Capital commitments**

There were no capital commitments as at 31 December 2023 (2022: £24,000).

## Note 9 – Investments (Group and Charity)

<b>Sarasin Endowments Fund</b>	<b>£</b>
<i>Long term investments</i>	<b>£'000</b>
<b>Market values</b>	
01-Jan-23	3,902
Additions	-
Net gain on revaluation	208
<b>31-Dec-22</b>	<b>4,110</b>
<b>Historical cost</b>	
01-Jan-23	2,852
31-Dec-23	2,852

Council is 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 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	1,233	1,669	1,436	1,665
Prepayments and accrued income	579	327	596	304
	<b>1,812</b>	<b>1,996</b>	<b>2,032</b>	<b>1,969</b>

## Note 11 – Creditors

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
<b>Amounts falling due within one year</b>				
Trade creditors	301	436	357	177
Taxation and social security	151	158	131	137
Accruals	438	434	429	430
Deferred Income	1,216	1,796	879	1,498
	<b>2,106</b>	<b>2,824</b>	<b>1,796</b>	<b>2,242</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 75 (2022: 66) employees were £256,000 (2022: £245,000). 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 5 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 2023, 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 31 December 2022 showed a surplus of £548,000.

**Movement in assets during the period**

	31 December 2023 % a year	31 December 2022 % a year
<b>Principal actuarial assumptions</b>		
Discount rate	4.5%	4.8%
Retail Price Inflation	3.2%	3.3%
Consumer Price Inflation	2.8%	2.8%
Salary growth	2.3%	2.2%
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.	2.1%	2.1%
– Price inflation (CPI) subject to a maximum of 5% p.a.	2.7%	2.7%
– Price inflation (CPI) subject to a maximum of 5% p.a. and a minimum of 3% p.a.	3.6%	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_2022_M/F (1%)	CMI_2019_M/F (1%)
Proportion taking tax free cash	100%	100%

	2023 Males	2023 Females	2022 Males	2022 Females
<b>Assumed life expectancy at aged 65</b>				
Current pensioners	21.4 years	23.8 years	21.9 years	24.3 years
Retiring in 20 years	22.3 years	25.0 years	23.0 years	25.4 years

	31 December 2023 £'000	31 December 2022 £'000
<b>Changes in fair value of plan assets</b>		
Opening fair value of plan assets	7,187	9,647
Employer contributions	89	100
Employee contributions	23	26
Benefits paid	(296)	(357)
Expenses paid	-	(16)
Expected return on scheme assets	341	181
Actuarial gain/ (losses) on assets	120	(2,394)
Closing fair value of plan assets	7,464	7,187
Actual return on plan assets	461	(2,213)

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

<b>Asset Allocation</b>	31 December 2023	31 December 2022
Diversified Growth Fund	14.0%	56.2%
Bonds	23.3%	26.6%
Gilts	62.7%	15.6%
Cash	-	1.6%

**Movement in assets during the period**

	31 December 2023 £'000	31 December 2022 £'000
<b>Changes in present value of defined benefit obligation</b>		
Opening defined benefit obligation	6,491	9,853
Current service cost	55	143
Employee contributions	23	26
Interest cost	307	186
Benefits paid	(296)	(357)
Remeasurement loss/(gain) on defined benefit obligation:		
- Impact of experience	(479)	(114)
- Impact of amended financial assumptions	290	(3,474)
- Impact of amended mortality assumptions	-	-
Closing defined benefit obligation	6.278	6.491

**Pension expense**

	31 December 2023 £'000	31 December 2022 £'000
Analysis of the amount charged to income and expenditure		
Current service cost	(55)	(143)
Expenses	-	(16)
Interest on net liability	34	(5)
	(21)	(164)

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 2023 £'000	31 December 2022 £'000
<b>Other comprehensive income</b>		
Actual less expected return on plan assets	120	(2,394)
Experience gains/(losses) on liabilities	479	(114)
Change in assumptions	(177)	3,474
Actuarial (loss)/gain recognised in OCI	422	966

	31 December 2023 £'000	31 December 2022 £'000
<b>Balance sheet position</b>		
Present value of defined benefit obligation	(6,278)	(6,491)
Fair value of plan assets	7,464	7,187
Net defined benefit pension (liability)/asset	1,186	696

## Notes on the financial statements

### Note 13 – 2023 Group Reserves

	1 January 2023	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2023
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted reserves</b>					
<i>General reserves</i>	905	7,376	(7,150)	155	1,286
<i>Pension reserve</i>	696	-	68	422	1,186
	1,601	7,376	(7,082)	577	2,472
<i>Designated reserves</i>					
Powerful Women reserve	65	395	(370)	-	90
UK WPC reserve	16	-	(8)	-	8
Statistical Review reserve	-	150	(129)	-	21
Fixed asset reserve	6,114	-	(79)	47	6,082
	6,195	545	(586)	47	6,201
<b>Total unrestricted reserves</b>	7,796	7,921	(7,668)	624	8,673
<b>Restricted reserves</b>					
Partner technical projects	2,034	1,900	(1,495)	-	2,439
Shell hearts and minds	427	29	(3)	-	453
General prize fund	6	-	(1)	-	5
Benevolent fund	503	19	(13)	6	515
<b>Total restricted reserves</b>	2,970	1,948	(1,512)	6	3,412
<b>Total Reserves</b>	10,766	9,869	(9,180)	630	12,085

### Note 13 – 2023 Charity Reserves

	1 January 2023	Incoming resources	Resources expended	Transfers and other gains/(losses)	31 December 2023
	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted reserves</b>					
<i>General reserves</i>	819	7,099	(6,867)	155	1,206
<i>Pension reserve</i>	696	-	68	422	1,186
	1,515	7,099	(6,799)	577	2,392
<i>Designated reserves</i>					
Powerful Women reserve	65	395	(370)	-	90
UK WPC reserve	16	-	(8)	-	8
Statistical Review reserve	-	150	(129)	-	21
Fixed asset reserve	6,114	-	(79)	47	6,082
	6,195	545	(586)	47	6,201
<b>Total unrestricted reserves</b>	7,710	7,644	(7,385)	624	8,593
<b>Restricted reserves</b>					
Partner technical projects	2,034	1,900	(1,495)	-	2,439
Shell hearts and minds	427	29	(3)	-	453
General prize fund	6	-	(1)	-	5
Benevolent fund	503	19	(13)	6	515
<b>Total restricted reserves</b>	2,970	1,948	(1,512)	6	3,412
<b>Total Reserves</b>	10,680	9,592	(8,897)	630	12,005

## 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
<b>Unrestricted reserves</b>					
<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
<b>Total unrestricted reserves</b>	7,807	6,134	(6,604)	459	7,796
<b>Restricted reserves</b>					
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
<b>Total restricted reserves</b>	2,810	1,599	(1,396)	(43)	2,970
<b>Total Reserves</b>	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
<b>Unrestricted reserves</b>					
<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
<b>Total unrestricted reserves</b>	7,758	5,691	(6,198)	459	7,710
<b>Restricted reserves</b>					
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
<b>Total restricted reserves</b>	2,810	1,599	(1,396)	(43)	2,970
<b>Total Reserves</b>	10,568	7,290	(7,594)	416	10,680

## 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.

*Statistical Review reserve:* Some income generated from the Statistical Review of World Energy is allocated to build reserves which can support the activity. Resource has been provided in kind from the partner companies and has been accounted for within the designated reserve.

*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 – 2023 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-23
	£'000	£'000	£'000	£'000
Unrestricted reserves	1,118	168	-	1,286
Pension reserve	-	-	1,186	1,186
Designated reserves	6,082	119	-	6,201
	7,200	287	1,186	8,673
Restricted reserves	2,992	420	-	3,412
Total	10,192	707	1,186	12,085

## Note 14 – 2023 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-23
	£'000	£'000	£'000	£'000
Unrestricted reserves	1,118	88	-	1,206
Pension reserve	-	-	1,186	1,186
Designated reserves	6,082	119	-	6,201
	7,200	207	1,186	8,593
Restricted reserves	2,992	420	-	3,412
Total	10,192	627	1,186	12,005



## Notes on the financial statements

### 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

### Note 15 – Related party transactions

Transactions during the year with EI services Ltd, resulted in an amount due to the Energy Institute totalling £380,000 (2022: due to EI £118,000). Energy Institute raised invoices to EI Services Ltd totalling £115,000 (2022: £145,000) 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 2022  
(Including consolidated income and expenditure)

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

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