

Charity registration number 286084

Company registration number 01676971 (England and Wales)

OXFORD INSTITUTE FOR ENERGY STUDIES
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

OXFORD INSTITUTE FOR ENERGY STUDIES

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr C Adam	
	Dr A Al-Kuwaiz	
	Dr A A Al-Mudhaf	
	Professor R J Goodman	
	Mr A Lajous	
	HRH Prince A bin Salman Al Saud	
	Mr L A Whitehead	
	Professor K E Borjars	
	Mr T Terazawa	
	Ms R Bergholtz	(Appointed 5 April 2022)
	Mr K Al-Ruwaigh	(Appointed 14 October 2022)
	Mr P F Mathieu	
	Mr M Toll	(Resigned 14 January 2022, reappointed 21 February 2023)
Secretary	Ms K A Teasdale	
Charity number	286084	
Company number	01676971	
Principal address	57 Woodstock Road Oxford Oxfordshire OX2 6FA	
Registered office	66 Prescott Street London E1 8NN	
Auditor	CBW Audit Limited 66 Prescott Street London E1 8NN	
Bankers	Barclays Bank plc Oxford City Office PO Box 333 Oxford Oxfordshire OX1 3HS	
Investment advisors	Brewin Dolphin 12 Smithfield Street London EC1A 9BD	

OXFORD INSTITUTE FOR ENERGY STUDIES

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OXFORD INSTITUTE FOR ENERGY STUDIES

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The Institute has been established as a centre for advanced academic research into the social science aspects of energy and energy markets. It operates as a non-profit making educational organisation.

The expenditure in the period supported these objectives because it enabled the charity to undertake projects aimed at advancing research in this field.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Significant activities

The Institute is committed to achieving the highest academic standards and independent research. As a general policy the Institute concentrates its research on energy issues of international significance across different energy markets and the transformations in these markets as the energy transition and decarbonisation accelerate.

Review of Institute's Operations and Developments

During 2022 the Institute continued to undertake research into social science aspects of major energy issues. Research was undertaken in the energy transition, oil, natural gas and electricity, and the synergies between all three in relation to the transportation and power sectors. Its unique multidisciplinary expertise facilitates the analysis of current energy issues across production, consumption, markets, policy and regulation. Its research spans the supply and demand dynamics of global, regional and domestic energy markets; the key factors shaping energy policy in developed, developing and resource-rich countries and their interaction with other agendas, such as energy transition, energy security, climate change, energy sector reform; and the structure of energy markets and their evolution. A detailed review of the year is included in the institute's Annual Report, located on the charity's website.

Financial review

The Charity's activities for the year are presented in the attached financial statements which show a deficit net movement in funds for the year of 1,124,332 (2021: £1,982,571). This is mainly caused by the net loss on investments of £1,624,981 (2021: Gain of £1,199,286) and not by the charitable activities.

The balance of endowment funds at 31 December 2022 was £3,440,681 and for unrestricted funds it was £8,081,100.

Reserves policy

The Institute's principal reason for holding reserves is to generate a flow of investment income in times when the costs of projects that it is undertaking exceeds the income received from donations and projects.

Reserves are reviewed on a regular basis and after such review any surplus accumulated from good management will be considered for future charitable purposes. It is also envisaged that the institute may have to make additional expenditures on the Charity's objectives in order to attract donations in the future and that consequently reserves could fall.

Principal funding sources

Donations are received from a wide range of sources. Those making donations are predominantly engaged in the international energy markets, with sponsors including, for example, BP Plc, CME Group, E.ON, JOGMEC, SNAM and Tellurian Inc.

OXFORD INSTITUTE FOR ENERGY STUDIES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Investment policy and objectives

The investments currently held can provide an annual income of over £240,000 to the Institute to use towards its objectives and also to help ease cash flow over the year.

The bulk of the charity's income is derived from donations from Sponsors and Benefactors. The income from investments accounts for approximately 10% of total income.

The Institute seeks to produce the best financial return within an acceptable level of risk.

The investment objective is to generate a return over the long-term which should allow the Institute to at least maintain the real value of the assets whilst generating an income to support the ongoing activities of the Institute.

Should a fall in donations from Sponsors and Benefactors and or unexpected expenses occur, a draw down on capital is acceptable to meet expenditure needs.

Future developments

Energy Transition research at the institute focuses on the trends shaping energy systems, transformations in behaviours and business models, and the implications of shifting from the existing hydrocarbon-dominated energy economy to a system in which renewables, low-carbon energy sources and abated use of hydrocarbons will play a much greater role.

Launched in early 2022, the Hydrogen Research Programme conducts research under the broad objective of "building business cases for a hydrogen economy". It focuses on how the clean hydrogen industry can move from its current small scale, largely government funded projects to a scale where it is significant in the global energy system.

Launched in December 2022, the Carbon Management Programme of the Oxford Institute for Energy Studies is dedicated to the advanced study and exploration of business models for deploying breakthrough low-carbon technologies that enable a smooth transition to a net-zero world. In particular, these technologies include carbon capture, utilization and storage (CCUS) and carbon dioxide removal (CDR) solutions, both tech- and nature-based.

As part of the wider Energy Transition Research at OIES, this Programme investigates key issues pertinent to the future development of these solutions, including enabling policy and regulatory frameworks, in the context of different sectors and regions. The Programme also investigates the role that carbon markets, both voluntary and compliance, play in mobilizing investments into these technologies.

The Institute's Oil and Gas Research Programme are well established and continue to produce high quality research of international significance as well as work with a more regional and national focus. The Electricity and China Energy Research Programmes continue to expand, producing high quality research and organising events that attract interest both from researchers and sponsors.

The impact of the invasion of Ukraine by Russia on energy markets cannot go unmentioned and the ongoing effects across global energy markets will remain an area of research focus.

Risk management

A major risk to which the Institute is exposed is a decline in the value of its investments and a resulting drop in the level of income available for its charitable activities. In order to mitigate this risk the Institute has invested its funds in a portfolio of balanced investments including cash, non-cash funds and "blue chip" shares to ensure that there is a consistent annual level of investment income generated by these investments. The endowment is also an important buffer were other major risks to eventuate, such as a major fall-off in research funding due, for example, to adverse economic conditions.

OXFORD INSTITUTE FOR ENERGY STUDIES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

The Charity's governing document is the Memorandum and Articles of Association, dated 11 October 1982.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr C Adam

Dr A Al-Kuwaiz

Dr A A Al-Mudhaf

Professor R J Goodman

Mr A Lajous

HRH Prince A bin Salman Al Saud

Mr L A Whitehead

Mr M I Toll

(Appointed 21 February 2023 and resigned 14 January 2022)

Dr A A Attiga

(Resigned 30 August 2022)

Professor K E Borjars

Mr T Terazawa

Ms R Bergholtz

(Appointed 5 April 2022)

Mr K Al-Ruwaigh

(Appointed 14 October 2022)

Mr P F Mathieu

Recruitment and appointment of new trustees

The Institute is registered as a Company Limited by Guarantee, as defined by the Companies Act 2006, and as a Charity that operates as a non-profit educational organisation. It is conceived as an association of various members. All members of the Institute have the right to appoint representatives to the Board of Governors (who are also the trustees). This gives the member an active role in the management and supervision of the Institute. Each member has made a financial contribution thereby providing long-term security for the Institute.

Trade creditors policy

The charity's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the charity's contractual and other legal obligations.

Organisational structure

The organisational structure of the Institute consists of Governors and Trustees shown above. The decisions are taken by the Board of Trustees. Dr B Fattouh deals with the daily operations of the Institute and is supported by research and administration teams to conduct various activities.

Related parties

The institute's subsidiary, OIES Services Limited, donated their profits of £16,961 (2021: £25,311) to the charity.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Institute continues and that the appropriate training is arranged. It is the policy of the Institute that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

OXFORD INSTITUTE FOR ENERGY STUDIES

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

Employee involvement

The Charity's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Charity's performance.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees report was approved by the Board of Trustees.

Ms K A Teasdale

Secretary

Dated: 15 May 2023

OXFORD INSTITUTE FOR ENERGY STUDIES

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also the directors of Oxford Institute for Energy Studies for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OXFORD INSTITUTE FOR ENERGY STUDIES

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OXFORD INSTITUTE FOR ENERGY STUDIES

Opinion

We have audited the financial statements of Oxford Institute for Energy Studies (the 'Charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the summary income and expenditure account, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. 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 charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Basis for opinion

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 Charity 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees report has been prepared in accordance with applicable legal requirements.

OXFORD INSTITUTE FOR ENERGY STUDIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OXFORD INSTITUTE FOR ENERGY STUDIES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, 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 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 charitable company 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

OXFORD INSTITUTE FOR ENERGY STUDIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OXFORD INSTITUTE FOR ENERGY STUDIES

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the charity were identified through discussions with trustees and other management, and from our commercial knowledge and experience of a charitable institute in the energy industry. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the charitable company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, Charities Commission and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

OXFORD INSTITUTE FOR ENERGY STUDIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OXFORD INSTITUTE FOR ENERGY STUDIES

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Barnes (Senior Statutory Auditor)
for and on behalf of CBW Audit Limited

18 May 2023

Chartered Accountants
Statutory Auditor

66 Prescot Street
London
E1 8NN

OXFORD INSTITUTE FOR ENERGY STUDIES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Income from:							
Voluntary income	3	775,683	-	775,683	701,230	-	701,230
Incoming resources from charitable activities	4	1,308,347	-	1,308,347	1,453,507	-	1,453,507
Incoming resources from investments	5	272,419	-	272,419	243,299	-	243,299
Total income		2,356,449	-	2,356,449	2,398,036	-	2,398,036
Expenditure on:							
Raising funds	6	51,154	-	51,154	48,851	-	48,851
Charitable activities							
Projects and publications	7	1,445,887	-	1,445,887	1,226,692	-	1,226,692
Support costs	7	300,982	-	300,982	279,809	-	279,809
Total charitable expenditure		1,746,869	-	1,746,869	1,506,501	-	1,506,501
Other expenditure	12	57,777	-	57,777	59,399	-	59,399
Total expenditure		1,855,800	-	1,855,800	1,614,751	-	1,614,751
Net gains/(losses) on investments	11	(702,309)	(922,672)	(1,624,981)	1,257,383	(58,097)	1,199,286
Net movement in funds		(201,660)	(922,672)	(1,124,332)	2,040,668	(58,097)	1,982,571
Fund balances at 1 January 2022		8,282,760	4,363,353	12,646,113	6,242,092	4,421,450	10,663,542
Fund balances at 31 December 2022		8,081,100	3,440,681	11,521,781	8,282,760	4,363,353	12,646,113

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

OXFORD INSTITUTE FOR ENERGY STUDIES

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	All income funds 2022 £	2021 £
Gross income	2,356,449	2,398,036
(Losses)/gains on investments	(702,309)	1,257,383
Total income in the reporting period	1,654,140	3,655,419
Total expenditure from income funds	1,855,800	1,614,751
Net (expenditure)/Income for the year	(201,660)	2,040,668

OXFORD INSTITUTE FOR ENERGY STUDIES

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		295		2,925
Investments	14		10,103,550		11,208,514
			<u>10,103,845</u>		<u>11,211,439</u>
Current assets					
Debtors	16	348,688		514,118	
Cash at bank and in hand		1,227,587		1,059,122	
		<u>1,576,275</u>		<u>1,573,240</u>	
Creditors: amounts falling due within one year					
Taxation and social security		42,028		32,952	
Other creditors		116,311		105,614	
		<u>158,339</u>		<u>138,566</u>	
Net current assets			1,417,936		1,434,674
Total assets less current liabilities			<u>11,521,781</u>		<u>12,646,113</u>
Capital funds					
Endowment funds - general			3,440,681		4,363,353
Income funds					
Unrestricted funds			8,081,100		8,282,760
			<u>11,521,781</u>		<u>12,646,113</u>

The financial statements were approved by the Trustees on 15 May 2023

Mr L A Whitehead
Trustee

Mr T Terazawa
Trustee

Company registration number 01676971

OXFORD INSTITUTE FOR ENERGY STUDIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	23		416,063		241,657
Investing activities					
Decrease/(Increase) in cash within investment portfolio		691,498		(570,762)	
Purchase of other investments		(4,165,406)		(2,674,897)	
Proceeds on disposal of other investments		2,953,891		2,671,341	
Investment income received		272,419		243,299	
Net cash used in investing activities			(247,598)		(331,019)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			168,465		(89,362)
Cash and cash equivalents at beginning of year			1,059,122		1,148,484
Cash and cash equivalents at end of year			1,227,587		1,059,122

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Oxford Institute for Energy Studies is a private company limited by guarantee incorporated in England and Wales. The registered office is 66 Prescott Street, London, E1 8NN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charity has taken advantage of the exemption under Section 24.13A of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" not to prepare consolidated accounts, on the basis that the subsidiary is not material for the purpose of giving a true and fair view. The financial statements present information about the charitable company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Now that the worst effects of COVID-19 have past, the charity found that funding and activities were maintained without any significant issues. The charity's trustees continue to monitor performance and update budgets accordingly, to reduce any impact on the group and ensure resources are available to meet liabilities as they fall due.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds 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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Permanent Endowment Fund Created on Inception

The Permanent Endowment Fund represents contributions received from founder members of the Institute and inaugural gifts received by the Institute on incorporation. The donors designated the original capital as a Permanent Endowment Fund that cannot be spent, and that the investment income generated from the Fund is unrestricted and can be used to finance the activities of the Institute.

The investment gains and losses derived from the underlying investments of the Permanent Fund are prorated and split between the permanent endowment fund and the General Unrestricted Fund.

Income Equalisation Fund

The Institute depends on investment income together with donations and other contributions received to fund its research projects. In view of the danger of sudden fluctuations in the level of income, if income from the investment portfolio exceeds 7%, there will be a transfer to the Income Equalisation Fund, which is a designated fund. This is so that in periods of low income there are sufficient resources available to maintain the Institute's operations.

In periods where the investment income is less than 2% of the value of the investment portfolio, a transfer will be made from the Income Equalisation Fund to the General Fund. The amount transferred will be 2% of the market value of the investments less the investment income received.

For the period under review, the return did not exceed 7% and was above than 2%, therefore no transfer was made from this Fund to the General Fund.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income, it is certain that the resources will be received, and the amount can be quantified with sufficient reliability.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold improvements	20% on cost
Library	33% on cost
Plant and machinery	33% on cost
Fixtures, fittings & equipment	20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The Charity has an accounting policy regarding the treatment of the library purchases. Since employees of the charity use these resources over a number of years it was felt the accounting policy should reflect this and so should be capitalised. The Trustees have deemed the library assets to have a useful life of three years so should be depreciated over this period.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1.13 Taxation

The charity is exempt from corporation tax on its charitable activities.

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.14 Allocation and apportionment of costs

Costs are allocated between:

- Costs of generating voluntary income, which covers the investment management costs and promotion of the charity
- Charitable activities, which covers projects and publications costs along with support and admin costs, and
- Governance costs, which covers the costs involved in producing audited financial statements.

These allocations are made on a consistent basis. Projects are continuously changing in an attempt to further the objectives of the Institute.

1.15 Donations and Grants

Income received from donations and grants, including capital grants, is included in incoming resources when these are received, except as follows:

- Where donors specify that donations and grants given to the Institute must be used in future accounting periods, the income is recognised on receipt, as long as there are no pre-conditions attached to the income.
- If donors impose conditions, which have to be fulfilled before the Institute becomes entitled to use such income, the income is deferred and included in incoming resources when the pre-conditions have been met.

If donors specify that donations and grants (including capital grants) are for particular purposes, which do not amount to pre-conditions regarding entitlement, then this income is included in incoming resources restricted funds when receivable.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life.

Those charged with governance have applied the rates using industry standards, from which they expect a low level of estimation uncertainty.

Valuation of fixed asset investments

Fixed asset investments are revalued at the end of each reporting date using market rates. The valuation is conducted by Brewin Dolphin, an independent and experienced firm of investment advisers.

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Voluntary income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	775,683	701,230

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Incoming resources from charitable activities

	Brainstorming	Publications	Oil day	Hydrogen and Carbon module	Gas project	Fellowship grants	Electricity project	Total 2022
	2022	2022	2022	2022	2022	2022	2022	
	£	£	£	£	£	£	£	£
Income								
Saudi Aramco fellowship grant	11,159	1,292	2,869	299,970	929,514	-	13,494	1,258,298
Uniten fellowship grant	-	-	-	-	-	(14,604)	-	(14,604)
China Energy Programme	4,653	-	-	-	-	-	-	4,653
	-	-	-	-	-	-	60,000	60,000
	15,812	1,292	2,869	299,970	929,514	(14,604)	73,494	1,308,347
	=====	=====	=====	=====	=====	=====	=====	=====
For the year ended 31 December 2021								
	Brainstorming	Publications	Oil day	Hydrogen and Carbon module	Gas project	Fellowship grants	Electricity project	Total 2021
	£	£	£	£	£	£	£	£
Unrestricted funds	59,920	35	4,552	-	1,256,467	102,539	22,494	1,453,507
	=====	=====	=====	=====	=====	=====	=====	=====

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Incoming resources from investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	208,949	209,443
Income from Corporate bonds	26,135	23,301
Income from International Bond	29,049	10,423
Interest receivable	8,286	132
	<u>272,419</u>	<u>243,299</u>

6 Raising funds

	2022	2021
	£	£
Investment management	<u>51,154</u>	<u>48,851</u>

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	Projects and Support costs publications		Total Projects and Support costs 2022 publications		Total 2021
	2022 £	2022 £	£	2021 £	2021 £
Staff costs	642,183	154,152	796,335	658,251	136,514
Depreciation and impairment	-	2,630	2,630	-	11,469
Consultancy	623,355	-	623,355	529,043	-
Materials and Library Costs	24,702	-	24,702	21,605	-
Light and heat	-	4,366	4,366	-	11,003
Telecommunications	-	8,361	8,361	1,127	5,907
Photocopying, postage, printing and stationery	-	2,832	2,832	-	3,172
Sundry expenses	-	13,861	13,861	122	4,207
Repairs, maintenance and property expenses	-	2,043	2,043	-	2,276
Travel and subsistence	37,260	-	37,260	10,594	-
Gas day costs	52,120	-	52,120	22	-
Promotional activities	16,670	3,001	19,671	5,928	-
Computer software	-	22,156	22,156	-	27,267
Bank Charges	-	691	691	-	508
Insurance	-	5,627	5,627	-	4,845
Rent, rates and water	-	81,674	81,674	-	80,702
Other charitable expenditure	49,597	(412)	49,185	-	(1,495)
	<u>1,445,887</u>	<u>300,982</u>	<u>1,746,869</u>	<u>1,226,692</u>	<u>279,809</u>
	<u><u>1,445,887</u></u>	<u><u>300,982</u></u>	<u><u>1,746,869</u></u>	<u><u>1,226,692</u></u>	<u><u>279,809</u></u>

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2022 £	2021 £
Audit of the annual accounts	10,250	8,750
Non-audit services		
All other non-audit services	5,500	5,500

9 Trustees

There was no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Academic	8	9
Administrative	4	4
Total	12	13

Employment costs

	2022	2021
	£	£
Wages and salaries	670,657	665,000
Social security costs	88,242	87,143
Other pension costs	67,218	67,511
	826,117	819,654

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022	2021
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£120,001 - £130,000	1	1
£140,001 - £150,000	1	1

The number of staff to whom defined contribution retirement benefits are accruing is 12 (2021: 13). Pension contributions for the year are disclosed above.

11 Net gains/(losses) on investments

	Unrestricted funds	Endowment funds general	Total	Unrestricted funds	Endowment funds general	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Revaluation of investments	(1,751,467)	(922,672)	(2,674,139)	(82,019)	(58,097)	(140,116)
Gain/(loss) on sale of investments	1,049,158	-	1,049,158	1,339,402	-	1,339,402
	(702,309)	(922,672)	(1,624,981)	1,257,383	(58,097)	1,199,286

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Other expenditure

	Unrestricted funds £	Total 2021 £
Wages	29,782	24,889
Accountancy fees	5,637	8,571
Auditor's remuneration	15,750	14,250
Training costs	2,865	534
Legal and professional	3,743	11,155
	<u>57,777</u>	<u>59,399</u>

13 Tangible fixed assets

	Leasehold improvements £	Library £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 January 2022	17,272	114,478	58,957	18,688	209,395
At 31 December 2022	<u>17,272</u>	<u>114,478</u>	<u>58,957</u>	<u>18,688</u>	<u>209,395</u>
Depreciation and impairment					
At 1 January 2022	17,272	113,288	57,498	18,412	206,470
Depreciation charged in the year	<u>-</u>	<u>1,190</u>	<u>1,269</u>	<u>171</u>	<u>2,630</u>
At 31 December 2022	<u>17,272</u>	<u>114,478</u>	<u>58,767</u>	<u>18,583</u>	<u>209,100</u>
Carrying amount					
At 31 December 2022	<u>-</u>	<u>-</u>	<u>190</u>	<u>105</u>	<u>295</u>
At 31 December 2021	<u>-</u>	<u>1,190</u>	<u>1,459</u>	<u>276</u>	<u>2,925</u>

14 Fixed asset investments

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Fixed asset investments

(Continued)

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2022	10,349,395	859,119	11,208,514
Additions	4,165,406	-	4,165,406
Valuation changes	(2,674,139)	-	(2,674,139)
Disposals	(1,904,733)	(691,498)	(2,596,231)
At 31 December 2022	9,935,929	167,621	10,103,550
Carrying amount			
At 31 December 2022	9,935,929	167,621	10,103,550
At 31 December 2021	10,349,395	859,119	11,208,514

Fixed asset investments revalued

The investments comprise listed investments that are revalued to market value at the balance sheet date. The valuation is conducted by Brewin Dolphin, an independent and experienced firm of investment advisors.

The historical cost of listed investments held as at 31 December 2022 is £9,799,092 (2021: £8,222,715).

Of the total value of listed investments, £7,200,346 (2021: £7,271,059) represents overseas investments and £2,735,583 (2021: £3,078,337) represents UK investments.

15 Financial instruments

2022
£

2021
£

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

9,935,929 10,349,395

16 Debtors

2022
£

2021
£

Amounts falling due within one year:

Trade debtors	294,104	426,279
Amounts owed by fellow group undertakings	23,150	30,099
Other debtors	-	28,448
Prepayments and accrued income	31,434	29,292
	348,688	514,118

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	42,028	32,952
Trade creditors	43,978	41,178
Other creditors	5,544	5,334
Accruals	66,789	59,102
	<u>158,339</u>	<u>138,566</u>

18 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £67,218 (2021: £67,511)

19 Analysis of net assets between funds

	Unrestricted Funds	Endowment funds	Total 2022 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:				
Tangible assets	295	-	295	2,925
Investments	6,662,869	3,440,681	10,103,550	11,208,514
Current assets/(liabilities)	1,417,936	-	1,417,936	1,434,674
	<u>8,081,100</u>	<u>3,440,681</u>	<u>11,521,781</u>	<u>12,646,113</u>

Unrestricted funds

The unrestricted funds comprise the general fund and the income equalisation fund. The balance on the general fund at the year end was £7,462,480 (2021: £7,668,816) and the balance on the income equalisation fund was £613,944 (2021: £613,944).

20 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	66,000	66,000
Between two and five years	115,500	181,500
	<u>181,500</u>	<u>247,500</u>

Operating lease payments represent rentals payable by the charity for its office premises. Rentals are fixed for the term of the lease.

OXFORD INSTITUTE FOR ENERGY STUDIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Operating lease commitments (Continued)

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	343,336	353,542

22 Analysis of changes in net funds

The Charity had no debt during the year.

23 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(1,124,332)	1,982,571
Adjustments for:		
Investment income recognised in statement of financial activities	(272,419)	(243,299)
Gain on disposal of investments	(1,049,158)	(1,339,402)
Fair value gains and losses on investments	2,674,139	140,116
Depreciation and impairment of tangible fixed assets	2,630	4,903
Movements in working capital:		
Decrease/(increase) in debtors	165,430	(344,940)
Increase in creditors	19,773	41,708
Cash generated from operations	416,063	241,657

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