

Report of the Trustees and financial statements

YEAR ENDED 31 MARCH 2023



 **NFER**
National Foundation for
Educational Research

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Officers and members of the Board of Trustees

President	Sir Jim Rose, CBE, FRSA*(resigned 1 October 2022)
Vice President	Ms A J Shaw, MA (Hons)
Chair of Board of Trustees	Ms J L Cocking, BA (Hons) (1) (3) (4)
Treasurer	Mr N Hollister, MA (Hons), Cantab (1)(3)
Trustees	Ms F Capstick, MBA Professor M Day, BSc (Hons), PGCE, PhD Ms S Douglas CBE, BA (QTS) Hons (1) Mr N Hillman, BA (Hons), PGCE, MA Mr P James, MA (Hons) Cantab, PGCE (appointed 24 June 2022) Mr M Keen, MA (Hons) Oxon, FCA, (1)(2)(3) Ms K Kroger, BA (Hons), FCA (appointed 6 March 2023) (2) Mr S Macdonald, BA (Hons), Solicitor (1)(3)(4) Mr D Madoc-Jones, BA (Hons) (2)(4) Ms D Rose, BA, MBA (appointed 5 January 2023) Mr C Ryan, BA (Hons), MA
Membership of committees	(1) Remuneration Committee (2) Finance Committee (3) Nominations Committee (4) Investment Committee

*Sir Jim Rose sadly passed away on 9 February 2023. The position of President is currently vacant.

Administrative details

for the year ended 31 March 2023

Charity name	National Foundation for Educational Research in England and Wales
Charity number	313392
Company number	00900899
Principal and registered office	The Mere, Upton Park, Slough, Berkshire SL1 2DQ
Auditor	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
Bankers	National Westminster Bank plc, c/o Royal Bank of Scotland plc, (as agents) Corporate Banking, 3rd Floor, Cavell House, Charing Cross Road, London WC2H 0NN
Solicitors	Bates Wells London LLP 10 Queen Street Place, London EC4R 1BE
Investment managers	Barclays Private Bank Aegon

Trustees and Directors

The Trustees of the charity are the directors of the charitable company for the purposes of charity law and are referred to as the Trustees throughout this report. The Trustees serving during the year and up to the date of signature of the accounts are disclosed on page 4 of this report.

Senior Management Team

Day-to-day management of the charity is delegated to the Chief Executive, supported by the Senior Management Team. The Senior Management Team comprised:

Ms C Willis, BA (Hons), MSc (Chief Executive)

Mr R Birkett MA (Hons), ACA (Commercial Director and Company Secretary)

Dr L Duff PhD, MA, BSc (Director of Research)

Mr Alan Read MA (Hons) Oxon (Chief Digital Officer)

Ms M Wheeler, BA (Hons) (Director of Communications)

Mr G Woodcock, MBA, MSc, BSc (Hons) (Director of Operations)

Chair's Statement

Education is central to improving the lives of young people globally, but many children still face barriers in accessing quality learning.

In particular, the effects of the Covid-19 pandemic are still impacting education and NFER has continued to monitor the longer-term impact as well as evaluating the impacts of tutoring. We published new findings on pupil wellbeing, mental health, attainment and social skills this year, building on a wealth of research conducted since 2020.

We continue to grow our reach and impact, both in the UK and through our work with international partners, and this year's report highlights the range and depth of our expertise. This includes extensive work on the teacher workforce, where we are leading on filling evidence gaps on vital issues including racial equality and the impact of teacher pay and financial incentives on future supply.

Our increasing engagement with politicians and policy makers reflects our reputation for providing rigorous, independent research. Our experts have regularly presented evidence to Committees in both Houses of Parliament and submitted evidence to several government consultations and inquiries, allowing us to share NFER's research with those that can directly affect positive change within the education system, the cornerstone of our mission.

The financial statements in this document should be viewed in the context of our continuing investment in the organisation - drawing prudently from our reserves to increase our efficiency, quality, and capability - in order to enable NFER to continue to flourish and increase our impact on education.

Finally, we remember Sir Jim Rose, President of NFER from 2008-2022, who passed away in February this year. Sir Jim brought a wealth of experience and insight to the organisation, helping to shape the way we work today.

With his dedication to teaching and learning Sir Jim exemplified NFER's purpose, to improve learning outcomes for future generations everywhere, and we are grateful for his guidance and support. He is greatly missed.



Lorna Cocking
Chair of the Board of Trustees



We continue to grow our reach and impact, both in the UK and through our work with international partners, and this year's report highlights the range and depth of our expertise.

Report of the Board of Trustees

for the year ended 31 March 2023

The Board presents this annual Trustees' report and the audited accounts for the year ended 31 March 2023 as required by the Companies Act. This report provides a full account of the activities for the year and includes the information required of the Trustees of the charity by the Charity Commission for England and Wales (the Charity Commission)

Governing document

The National Foundation for Educational Research in England and Wales (NFER) is a company limited by guarantee and governed by Articles of Association, last amended on 28 November 2019. It is also a charity registered with the Charity Commission.

Our members comprise the serving Trustees of the company.

Objectives and activities

NFER is a leading independent provider of research and assessment services for education. Our clients include government departments, grant making bodies and agencies at international, national and local levels, which call upon NFER's range of expertise and professional services to develop and deliver education policy

and practice. NFER's purpose is to provide robust, independent research and assessment services that improve education, particularly for school-aged children and young people. As a charity, the impact of our work is central to everything we do. Our work seeks to support effective policy and practice in education, both in the UK and internationally.

The statutory objects of NFER, as stated in the Articles of Association, are:

- to undertake research and development in education and allied subjects for the public benefit and the publication and dissemination of the useful results thereof; and
- to advance education for the public benefit, in particular but not exclusively, through the provision of educational services.

In the furtherance of these objects, NFER conducts research into all aspects of education, disseminates the results of that research and exchanges education ideas and information. We also create resources based on research evidence that help to improve educational outcomes.

NFER does not carry out any fundraising activities.



The public benefits of NFER's work

The Charity Commission sets out the criteria for assessing the public benefits of research and identifies the key points that organisations with charitable status should take into account when embarking on a research project. It states that research will qualify as charitable only if:

- it is on a subject or directed towards establishing an outcome which is of value and calculated to promote in a meaningful and direct way the charity's aims and
- it is undertaken with the intention that the useful knowledge acquired as a result of the research is disseminated to the public or others to utilise or benefit from it and
- it is undertaken for the benefit of the public or a section of the public and not solely or mainly for self-interest or for private or commercial consumption.

The Charity Commission's general guidance on public benefit has been referred to when reviewing NFER's aims and when planning future activities. The Trustees are satisfied that the work carried out by the charity complies with the public benefit requirements set out by the Commission.

Increasing our visibility and impact

NFER's mission to improve outcomes for future generations everywhere and to support positive change across education systems will be realised by improving the visibility and influence of NFER's evidence and insights.

Creating new evidence and insights

Throughout the year, NFER published numerous reports shining a light on the challenges facing education and the issues that need to be addressed. Our reports covered a broad range of topics and included a number of wide-ranging policy and practice recommendations.

Teacher workforce

In 2022, following the Covid-19 pandemic, the teacher labour market faced familiar challenges with the recruitment and retention of teachers. We produced reports analysing the teacher labour market in England, the impact of pay and financial incentives on teacher supply, and the implications of teacher supply challenges for schools and pupils. We also produced a groundbreaking new study on racial equality in the teaching workforce, highlighting issues where little evidence previously existed.

Post-16

Our major project to identify the essential skills needed for the future workforce, The Skills Imperative 2035, produced its second working paper: Long-run employment prospects for the UK. This set of reports detailed estimates of the shape and composition of the future labour market.

We continued our research into the government's flagship T Levels qualifications, and produced a report on apprenticeships, which provided recommendations on how to equalise access for all young people.

Tutoring and Covid-19

We continued to produce evidence of the ongoing impact of the Covid-19 pandemic, publishing reports on children and young people's wellbeing and mental health, a review of the evidence on pupil attainment, and the impact on their social skills.

NFER published its independent evaluation of the first year of the National Tutoring Programme, a programme which is an important part of the government's Covid-19 recovery response, offering tuition support to disadvantaged pupils who have been hit hardest by the disruption. This entailed a large-scale implementation and process evaluation (IPE), an impact evaluation in primary schools, and an impact evaluation for Year 11 pupils in secondary schools.

School system

NFER published several reports highlighting issues facing the school system during the year, including one on the challenges of transitioning to a multi-academy trust led system, which was particularly timely in light of the government's Schools White Paper published earlier in the year. We also published reports on measuring pupil disadvantage, including recommendations for changing and improving the measures used, and on education technology.

1,349

HTML pages
on the website

763,200

impressions
on Twitter



171,158

downloads of
sample materials,
publications and
assessment hub
articles

Increasing visibility

To supplement our wide-ranging evidence published in reports, we increased the number of articles and blogs posted on our website and on external outlets. These articles provide a good opportunity to highlight our key evidence and recommendations in a digestible format for a wider audience. Some of the themes of our articles published this year have included:

- The impact of Covid-19 on attainment
- Assessment
- T Levels
- Pupil projection data
- The education policy landscape
- Ethnic disparities in teacher progression
- Apprenticeships
- Key Stage 4 school performance tables
- ITT recruitment challenges
- The National Tutoring Programme

Key to our visibility is ensuring that our research and evidence is disseminated as widely as possible to education stakeholders, policymakers and the wider public via the press. Through our ongoing engagement with journalists, our findings have been used in sector media publications, including TES, Schools Week and FE News; print media including The Daily Telegraph, The Guardian, The Daily

Mirror and the Daily Mail; and broadcast media including the BBC, ITV, Talk Radio and LBC.

By seeking speaking opportunities at externally run events, we are able to inform policymakers and practitioners of our key policy recommendations and tools to help teachers in the classroom. Some of the major events that we have participated in this year include:

- The Schools and Academies Show
- ResearchEd Berkshire
- AELP national conference
- Tes Schools White Paper webinar
- Festival of Education
- Labour party conference
- Conservative party conference

As well as externally run events, we have hosted our own events as a way to widen the reach of our research. Our most prominent events this year included:

- Teacher Labour Market webinar
- Launch of the Skills Imperative 2035: working paper 2
- Annual reception in parliament

Informing policy and practice

Submitting our evidence into consultations and inquiries held by government departments and parliamentary select committees is a method of informing policymakers of our research and policy recommendations. This year, we have submitted consultation responses to:

- Education Select Committee
- Public Accounts Committee
- National Audit Office
- House of Lords Committee on Education for 11 to 16 year olds
- House of Lord's Communications and Digital Committee
- House of Lords Science and Technology Committee

82%
of stakeholders
who experienced
NFER's services
said they had an
impact on their
organisation

91% 
of stakeholders
who read NFER's
publications
said they had an
impact on their
organisation

88%
of stakeholders
think that NFER
is an important
provider of
evidence on
education matters

We also engage directly with parliamentarians through a variety of formats, including:

- Attendance at All-Party Parliamentary Groups (APPG) such as Apprenticeships APPG, T Levels APPG, Teaching profession APPG
- Presenting oral evidence to Select Committees, such as the Education Select Committee, House of Lords Committee on Education for 11 to 16 year olds, and the House of Lord's Communications and Digital Committee
- Providing briefing papers ahead of debates
- Making our evidence available to politicians ahead of parliamentary questions

This year has seen further focussed efforts to ensure our work supports classroom practice. We continued as lead evaluator for a new type of trial, funded by the Education Endowment Foundation, that aims to increase understanding about the everyday choices teachers make when planning

their lessons and supporting their pupils. We have also developed and launched a new series of accessible summaries that set out key insights and practical learning with teachers and school leaders. The first of this 'Research Bites' series, a guide and staffroom poster based on our evaluation of the first two years of the National Tutoring Programme, was published in early 2023. This was followed by the NFER Classroom Impact Review, a report highlighting how the contributions of teachers and school leaders enabled us to evidence key issues in education in 2022.

NFER Tests and resources continue to be trusted by thousands of schools and our assessment services successfully delivered both the National Reference Test and the Reception Baseline Assessment. A new role, Schools Partnership Manager, was created this year with the particular focus of strengthening our relationships with Multi-Academy Trusts.

We are hugely grateful for the vital support we received from schools, teachers and leaders that enabled our work to evidence key issues in education over the last year.

Expanding our global reach

We have continued to develop our international relationships this year, sharing insights at a number of conferences, and engaging with government, academic and civil society partners and stakeholders during visits to Kenya, Rwanda, Senegal, Uganda and the United States. This year we've appointed NFER representatives in Ghana and Uganda to help us strengthen and sustain some of our in-country collaborations.

Building on our previous evaluation of the Inspect & Improve (I&I) pilot project in Uganda – a programme co-designed by Promoting Equality in African Schools (PEAS) and Uganda's Directorate of Education Standards (DES) to address secondary school inspections and improvements – NFER was commissioned as the Learning Partner for the second phase of I&I, providing a series of recommendations for further scale up of the I&I programme within Uganda and its adaptation for other contexts.

NFER was appointed as the Monitoring, Evaluation & Learning (MEL) partner for the Plug in Play project in Rwanda, a multi-year programme funded by the LEGO Foundation and implemented by Right to Play, that seeks to improve student outcomes through play-based learning.

This year we also published a guide to classroom observation tools, which provides an overview and comparison of three commonly used tools - Stallings, CLASS and Teach - and offers practitioners and school stakeholders an insight into how observation systems might help improve classroom practice. NFER is now working to adapt and apply these tools in classroom settings in Tanzania.



Transforming our technology and processes

We have continued to invest in NFER's future, improving the quality, flexibility and innovation of our services through technology.

We have implemented new digital processes and systems over the last year to enable our activities to be increasingly streamlined, which will ensure the best service for our customers, clients and research participants. This includes using Robotic Process Automation to automate routine business processes, moving the organisation to a cloud based productivity suite, introducing new programme management software and developing a range of tools to increase the ease with which we can engage our clients, stakeholders and customers. We will continue to upgrade our systems over the next year and beyond as we embrace the digital revolution. This will include strengthening our e-assessment capabilities to assess children's abilities in a more robust, flexible and streamlined way, informing teaching and learning.

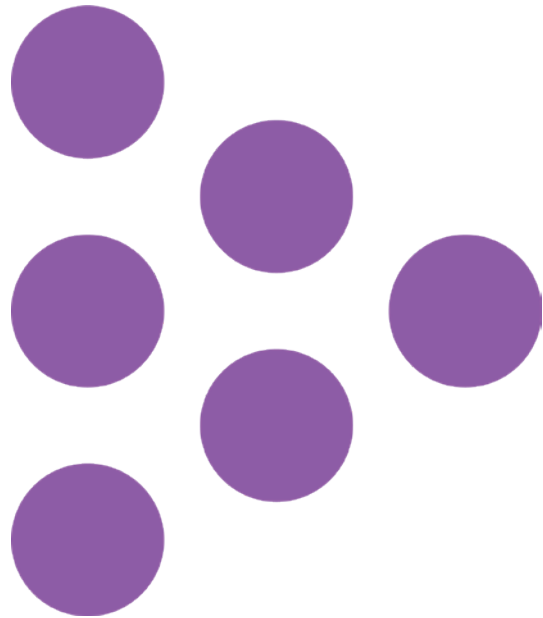


Looking forward

We will continue to focus on NFER's future, increasing our visibility and influence, expanding our global presence and improving the quality, flexibility and innovation of our services through technology.

Our staff are our most important asset, and we will continue to engage with colleagues to ensure that we have a high-performing, skilled, flexible and happy team.

With a general election on the horizon, we will position our leading experts to speak and comment authoritatively on the key education issues of the day, helping to ensure that education features in the election debates and manifestos and isn't drowned out by other pressing national issues.



Promoting the success of the charity

Throughout the year, the Trustees of the charity have acted in the way they consider will promote the success of the charity and its charitable purpose, acting for the benefit of its stakeholders as a whole, and having regard to:

- the likely consequences of any decision in the long term;
- the interests of the charity's employees;
- the need to foster the charity's business relationships with suppliers, customers and others;
- the impact of the charity's operations on the community and the environment;
- the desirability of the charity maintaining a reputation for high standards of business conduct;
- the need to act fairly as between stakeholders of the company.

The charity's stakeholders include the partners and suppliers with whom we work to produce and promote our research, self-employed consultants and temporary staff upon whom we rely to conduct surveys and administer assessments, the media organisations with whom we collaborate to ensure that our research findings reach the appropriate audience, our clients with whom we develop our research ideas and who fund our activities and teachers and head teachers who inform our surveys, help develop our assessments and work with us to improve the education of the children in their schools. The Trustees are very aware of the contribution that the charity's stakeholders make to its success and have regard to them when developing strategy for the future.



Structure, governance and management

Appointment of Trustees

As set out in the Articles of Association as amended on 28 November 2019, all Trustees are elected by the Board and serve for a maximum of three terms of three years, nine years in total. The only exception to this rule would be for those serving in the roles of Chair, Vice Chair and Treasurer who could serve a fourth term. The Trustees conduct a regular review of skills required and use this review to inform the recruitment of future Trustees.

Trustee induction, training and continued support

All newly appointed Trustees are given appropriate induction materials and opportunities to understand the operations of NFER. The new Trustees are invited to meet senior members of staff and are provided with key documents including the Articles of Association, the latest Annual Report and Accounts, and recent Board minutes. Opportunities for specific training are offered on an “as needed” basis.

In addition to the schedule of business meetings, Trustees also participate in an annual strategic planning day to discuss future strategy for the organisation. This often includes an element of training and updating on new areas of business, legislation and best practice.

Organisation

The Trustees are responsible for agreeing the aims and direction of the organisation but have delegated the day-to-day management to a Chief Executive,

supported by a Senior Management Team (as outlined on page 5). Each year the Trustees approve the annual business plan and budget; anything that is not included in that plan must be referred back to the Trustees for approval. The Board has reserved for itself the approval of the Annual Report and Accounts, key policies and all matters relating to property. It has established specialist committees to oversee specific areas, namely investments, finance (including the annual audit), remuneration and nominations. Working groups are also established to enable Trustees to engage with specific business matters.

Related parties

NFER had two wholly owned subsidiaries at the start and throughout the year. NFER Trading Limited, Company Number 03954591, was formed in 2000 with its prime role to deliver selected commercial contracts. It remained dormant throughout the year. i-nfer Assessment Limited, Company Number 05946075 (incorporated in 2006 and acquired by the Group in 2012) also remained dormant throughout the financial year.

Energy use

The charity uses energy for the purposes of heating, lighting and air-conditioning its office spaces. During the year the group consumed 458,100kWh of electricity to power and air-condition its offices (2021-22: 516,400kWh) and 370,800kWh of gas to heat them (2021-22: 545,500kWh). In total these two sources of energy represent annual CO₂e emissions of 170 tonnes (2021-22: 210 tonnes). The charity did not use any

refrigerant gases for the air conditioning system in 2022-23 but in the previous year the use of refrigerant gases to top up the air-conditioning system added 37 tonnes to its direct CO₂ emissions for that year. The charity is investigating ways in which it can reduce its consumption of fossil fuels, including the feasibility of generating its own renewable energy.

Risk management

The Trustees conduct an annual risk management review based on the latest risk register prepared by the Executive to identify all the principal risks to the charity, including any active subsidiaries, and to assess the impact and likelihood of the occurrence of each risk. Based on this analysis, Trustees ensure that the Executive have appropriate systems and actions in place to eliminate, reduce or mitigate these risks.

The most significant risks facing the Group and corresponding strategies for managing them are summarised below.

- The forthcoming UK general election, expected in the next 12-18 months, creates the risk of unexpected changes in education policy and research funding, which could have a significant bearing on NFER's projects and schools' participation in our research. We are working closely with stakeholders across the education system to ensure that the value of our work is recognised both within and beyond government and that it has a positive impact on decision making. In addition, we are building our business development capability and diversifying our client base in order to

shape the research agenda and secure alternative sources of funding for the research that we have identified as a priority.

- Ensuring the security of our information and the quality of our work continues to be a key area of focus, particularly as many of our staff continue to work remotely. We are safeguarding the integrity of our systems and those of our suppliers through the careful management of information security risks in line with our certification for ISO27001 and Cyber Essentials Plus status. We continue to invest in business improvement, quality assurance and system resilience and we carry out checks on our suppliers to ensure that they meet appropriate standards.
- Schools in the UK are under significant financial pressure as a result of unfunded wage increases and the increased cost of maintenance and utilities. There is also a growing challenge in teacher supply, with recruitment to Initial Teacher Training below target and a growing number of teacher vacancies. There is a risk that this pressure on school funding and staffing levels will limit the amount of time that schools can engage in research, thereby reducing the robustness of the evidence that we can provide in our work.

In addition to the high levels of customer care that we rely on to encourage school engagement, we are also implementing a new School Engagement Strategy. This seeks to strengthen our relationship with schools, improve their experience of working with NFER, and demonstrate the impact that their contribution has in



enabling us to influence policy and practice. We expect this to increase the extent to which schools want to engage with our research and educational resources.

Having conducted the risk management exercise, the Trustees are satisfied that the significant risks facing NFER have been identified and mitigating actions are appropriate for eliminating or managing any potential impact.

Financial instruments

It is the policy of the charity not to engage in complex financial instruments where there could be financial risk. NFER only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The most significant of these, together with the strategy for managing any associated risks, are:

- Our investment portfolio, where risk is controlled by the Investment Committee through the appointment of investment managers and a wide spread of investments which avoid unacceptable financial risk and deliver reasonable returns over the medium to long term.
- A 20-year bank mortgage (two years remaining at 31 March 2023), in which upward interest rate risk has been eliminated by fixing the rate of interest throughout the term.
- A six year Coronavirus Business Interruption Loan (CBILS) for £2m which was entered into in May 2021, the majority of which is fixed interest.

Buckinghamshire Pension Fund

The company's membership of a local government pension scheme prior to 2011 also exposes the company to financial risk from market forces, which affect its value. This is controlled by external bodies that manage the scheme. The company mitigated this risk by agreeing a settlement with the pension fund in November 2015, which involves monthly payments to the pension fund for each of the subsequent 19 years. In the event that a deficit remains in NFER's share of the fund at the end of this period, NFER and Buckinghamshire Pension Fund will agree on how to settle the outstanding amount.

Qualifying indemnity insurance

The charitable company has granted an indemnity under its indemnity insurance to its Trustees against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity insurance remains in force as at the date of approving the Trustees' report.

Financial review of the group

NFER's overall level of income was £21.4m for the year (2021-22: £19.5m). Income from research was £14.1m (2021-22: £12m) whereas income from sales of our educational resources was £6.8m

(2021-22: £7m). There was a net deficit on charitable activities of £3.3m compared to a net deficit on charitable activities of £1.7m last year. These deficits reflect a deliberate focus by the Trustees on investing in the long term success of the charity - transforming its technology and strengthening the quality and efficiency of its work to better support the education system in future.

In July 2022 NFER changed its investment managers from Investec and Smith & Williamson to Barclays Private Bank and Aegon. During the transfer, it withdrew £3.7m to invest in its charitable activities. As a result, the investment portfolio has generated a slightly reduced level of dividend and interest income at £448k (2021-22: £473k) and the value of the portfolio at 31 March 2023 reduced to £19.9m (2022: £24.7m).

Interest costs incurred on the mortgage decrease as the capital amount of the loan reduces; this year it was £67k compared to £89k last year. In addition, in accordance with the requirements of FRS102, an interest charge and administrative charges on NFER's share of the Buckinghamshire Pension Fund deficit has been calculated at £536k. The equivalent figure for the prior year was £503k.

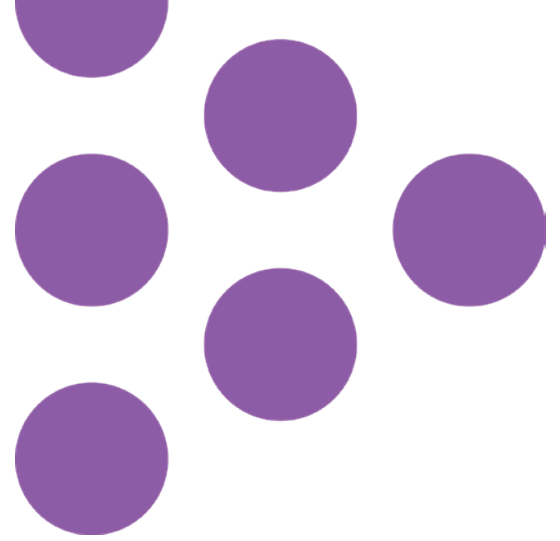
Overall, the organisation generated a total net deficit for the year of £4.9m compared to a net deficit of £595k in 2021-22. This reflects a loss on our charitable activities (resulting from the on-going investment in the business noted above) and a decrease in the value of our investments. In 2021-22, NFER had a loss on its charitable activities

which was reduced by the increase in the value of its investments.

The FRS102 actuarial gains reported for this year amount to £16.2m (2021-22: gains of £4.4m). The result of this actuarial gain is a decrease in the net pension deficit from £19.5m in 2022 to £3.3m at the year end. The overall net movement of funds for the year, after these actuarial gains, amounted to £11.3m, which gives NFER total reserves of £24.3m at the end of the year, compared to £13m at the end of last year.

Reserves policy and plans for future years

Having considered the challenges and opportunities that the charity may face in the medium to longer term, the Trustees calculated the need for a level of free reserves (i.e. those unrestricted reserves that have not been designated for specific purposes) in the range of £4.5m to £9m based on three to six months unavoidable expenditure. This range was determined by an assessment of the period over which a downturn in the business of NFER would have to be managed before positive results could be achieved from the implementation of remedial actions.



As at 31 March 2023, NFER's total group reserves stood at £24.3m (2022: £13m). This is composed of:

Designated fixed assets reserve	£5.3m	See Note 11
Pension reserve	(£3.3m)	Actuarial valuation of pension deficit
Unrestricted reserves	£22.3m	To allow the charity to manage challenges and opportunities
Total reserves	£24.3m	

The Trustees' strategy in future years is to manage the free reserves of the charity, which currently stand at approximately £19m, to maintain a value within the target range over the medium term, taking into account the current volatility in the assumptions that are impacting on the expected value of the pension settlement.

Investment policy and performance

On 20 July 2022 the Trustees amended the Investment policy to state that NFER will invest in one or more multi asset or segregated funds that meet its ethical requirements and which are expected to:

- have consistently good performance over time and to achieve capital growth above inflation, with a specific return of CPI + 4%;
- charge competitive management fees for their services;
- manage risk through a balanced spread of investments in the major markets and through the use of pooled funds where appropriate to spread risk (e.g. for smaller investments in other markets or alternative asset classes) and by investing in tracker or multi-asset funds to reduce management costs and/or mitigate risks as required.

In the year, investment capital decreased to £19.9m following a capital withdrawal of £3.7m (2021-22: increased to £24.7m). The investments did not meet the objective of exceeding a return of CPI plus 4% because of very high inflation during the year.

This policy and related controls are to ensure that the security of the assets and their proper management are reviewed on a periodic basis. A general review of this policy is conducted every three years. The Investment Committee meets twice yearly to monitor and evaluate performance of the investments and the investment managers.

Going concern

The financial statements are approved at a time of continuing uncertainty arising from high domestic inflation and the prospect of a UK General Election in the next 18 months. The impact of this high domestic inflation on NFER's cost base, including our energy costs, over the next 12 months will be limited but securing research project

income in the run up to a UK election may prove a challenge. However, the free reserves of the charity exceed the benchmarks that it has set itself and the management of the charity is confident in its financial resilience. Having reviewed its future income streams, its investment portfolio and the funding facilities available to the charity, the Trustees believe that the charity has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the charity's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Pension schemes

During the year, the NFER participated in three pension schemes: its own defined contribution pension scheme, the NFER Retirement Savings Plan (or 'NRSP'), administered by Standard Life since July 2022 and previously run by Pan Trustees Ltd, the Teachers' Pension Scheme (TPS), administered by Teachers' Pensions (TP) on behalf of the Department for Education (DfE) and the People's Pension scheme for those members of staff that do not want to participate in the NRSP.

The TPS is accounted for as a defined contribution scheme under Financial Reporting Standard 102 (section 28) Employee Benefits.

NFER's active membership of the Buckinghamshire Pension Fund ceased on 30 June 2011. The Buckinghamshire Pension Fund is accounted for as a defined benefit scheme under Financial Reporting Standard 102 and was replaced with the NFER's own

defined contribution pension scheme.

NFER and Buckinghamshire Pension Fund signed a settlement agreement in 2015 to determine the arrangements for payment of the share of the fund deficit relating to NFER's Admission Agreement. The Scheme's future funding requirements over the nineteen years of the agreement now form part of the company's annual and long term planning and budgeting processes.

Engagement with employees

Throughout the financial year the CEO and senior managers have engaged with staff:

- To inform them through fortnightly staff briefings and regular communications of the charity's performance and achievements, developments in the markets in which the charity operates and how it has taken account of the interests and queries raised by members of staff.
- To enquire through three externally administered surveys how effectively the charity is supporting their needs and addressing the challenges that it faces. All the surveys conducted to date have indicated high levels of satisfaction with the charity as an employer and with its response to the challenges raised by hybrid working
- Through the elected members of the Staff Council. This group meets senior managers on a regular basis throughout the financial year. The elected Chair of the Staff Council regularly attends Senior Management Team meetings to report on the main interests and concerns of staff.

Equal opportunities and remuneration policies

NFER's staff are crucial to its success and it wants to attract and retain the brightest and most talented employees, in line with its commitment to equality, diversity and inclusion. NFER is committed to being an equal opportunities employer and to creating an environment where the staff, Trustees, clients, partners and suppliers experience equality, diversity and inclusion in all its activities. The charity aims to ensure that all employees, whether part-time, full-time or temporary, are treated fairly and with respect. Selection for employment, promotion, training or any other benefit is on the basis of aptitude and ability. All employees are helped and encouraged to develop their potential so that the talents and resources of all staff are fully utilised and the efficiency of the organisation is maximised. This policy is fully supported by the Trustees and Senior Management Team (SMT) and is monitored on an ongoing basis.

The Trustees consider that the Board of Trustees and the SMT are the key management personnel who have authority and responsibility for planning, directing and controlling the activities of NFER.

Our 2022 gender pay gap report continues to show that the differences in pay between men and women are modest, markedly different from the national picture where the pay gap remains consistently and heavily in favour of males. These figures, calculated using the 2017 Regulations and the Equality Act 2010, showed that the median pay gap calculated as at 5 April

2022 was 5.7% (2021: 4.6%) in favour of men as compared to the national average as at that date of +14.9% (2021 revised +15.4%). The mean average for NFER at the same date was 2.2% (2021: 2.3%) in favour of men. The mean bonus gap is 15.2% in favour of men (prior year: 5.6% in favour of women).

Remuneration for all staff, including the SMT, is reviewed annually by the Remuneration Committee, a sub-committee of the Board of Trustees, taking account of the following aims and principles:

- to ensure the availability of the skills, experience and expertise required to deliver the organisation's objectives
- to attract and retain a motivated workforce in order to achieve organisational effectiveness
- to recognise individual performance and contribution to the organisation's development and success
- to reflect the performance of the organisation
- to reflect NFER's ethos, aims and values.

Senior Management Team

Employment at NFER is valued by our staff as a result of the respect with which the organisation's work in the field of education is held. However, NFER operates in a labour market where there is increasing competition for the specialist and leadership skills required to meet its aims and objectives, making it important to be able to offer competitive salaries.



Pay for the SMT is determined by NFER's Remuneration Committee. Pay levels are set on the basis of the principles set out above, and with reference to the pay award for the organisation as a whole. Information on increases in national earnings, and publicly available information on planned pay awards in other organisations, is used to inform pay awards. Pay levels are reviewed annually.

As for all NFER employees, remuneration for the SMT includes salary and pension scheme contributions. Contributions are made by NFER to the NFER Retirement Savings Plan (NRSP) at the rate of up to 10% of the member of staff's base salary. Other elements of the organisation's remuneration and benefits package are also attractive and of value to staff at all levels across the organisation (including the annual leave entitlement, our approach to flexible working arrangements, and the scope for personal development).

Details of the key management personnel remuneration, expenses and related party transactions are disclosed in notes 9 and 10 to the accounts.

Trustees

The Board of Trustees is collectively responsible for the overall governance, aims and strategic direction of the Charity and the Group. There is no fee payable in respect of appointment as a Trustee; Trustees are entitled to reimbursement for any reasonable out-of-pocket expenses.

Auditors

The Trustees reappointed Haysmacintyre LLP as auditors of the Charity and the Group for the year.

Statement of the Trustees' responsibilities

The Trustees (who are also directors of the NFER for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic 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 that give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. 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 Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards, including FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company and group will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware:

- there is no relevant information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

None of the Trustees had any beneficial interest in any contract to which the NFER was party during the year.

The Trustees' Annual Report and Strategic Report were approved by the Board of Trustees and signed by:



J L Cocking, Chair

The Mere, Upton Park,
Slough, Berks SL1 2DQ

8 November 2023

Independent auditor's report

to the Members of the National Foundation for
Educational Research in England and Wales

Opinion

We have audited the financial statements of the National Foundation for Educational Research in England and Wales for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of 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 group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's net movement in funds, including the 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 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'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 Chair's Statement and Report of the Board of Trustees. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board of Trustees (which includes the strategic report and the directors' report prepared for the purposes of

company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

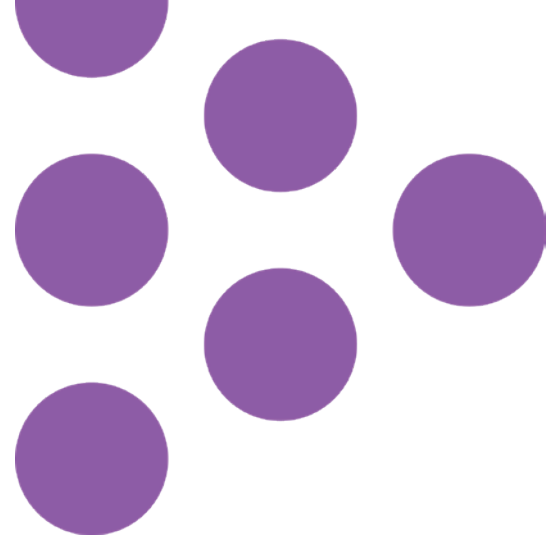
- the strategic report and the directors' report included within the Report of the Board of Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees (which incorporates the strategic report and the directors' 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 by the parent charitable company; or
- the parent charitable company 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.



Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement the Trustees (who are also the directors of the charitable company for the purposes 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 group's and the parent charitable company'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 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.

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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to employment law, GDPR and charity and company law applicable in England and Wales 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 Companies Act 2006, the Charities Act 2011 and payroll taxes.

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 income recognition. 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;

- Reviewing the controls and procedures of the charitable company relevant to the preparation of the financial statements to ensure these were in place throughout the year;
- Evaluating management’s controls designed to prevent and detect irregularities;
- Identifying and testing journals;
- Reviewing correspondence with regulators, including tax authorities;
- Challenging assumptions and judgements made by management in their critical accounting estimates, in particular the recognition of project income and expenditure; and
- Reviewing the assumptions and judgements used by the professional actuary in relation to the charitable company’s pension valuations.

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

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

Use of our report

This report is made solely to the 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 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 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.



Tracey Young, Senior Statutory Auditor
For and on behalf of Haysmacintyre LLP,
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

21 November 2023

Consolidated statement of financial activities

(including income and expenditure account and statement of recognised gains and losses) for the year ended 31 March 2023

	Note	2022-23 £'000	2021-22 £'000
Income from:			
Government grants and donations	4(a)	-	17
Charitable activities	4(b)	20,941	19,012
Investments	4(c)	448	473
Other	4(d)	7	7
Total income		21,396	19,509
Expenditure on:			
Investment Management		(89)	(104)
Charitable activities	5	(24,240)	(20,667)
Mortgage Interest		(67)	(89)
Net interest and admin expenses on defined pension liability	17(d)	(536)	(503)
Total expenditure		(24,932)	(21,363)
Net expenditure before gains on investments		(3,536)	(1,854)
Net (losses) / gains on investments	12	(1,398)	1,259
Net expenditure		(4,934)	(595)
Other recognised gains			
Actuarial gains on defined benefit pension schemes	17(g)	16,229	4,351
Net movement in funds		11,295	3,756
Reconciliation of funds:			
Total funds brought forward		13,011	9,255
Total funds carried forward		24,306	13,011

The statement includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Group and Company balance sheet

as at 31 March 2023

	Note	Group		Company	
		2023	2022	2023	2022
		£'000	£'000	£'000	£'000
Fixed Assets:					
Intangible Assets	11	-	20	-	20
Tangible Assets	11	5,344	5,564	5,344	5,564
Investments	12	19,872	24,727	19,872	24,727
Total Fixed Assets		25,216	30,311	25,216	30,311
Current Assets:					
Stocks: finished goods		498	486	498	486
Debtors	14	3,167	4,006	3,167	4,006
Cash at bank and in hand		4,617	4,254	4,616	4,254
Total Current Assets		8,282	8,746	8,281	8,746
Liabilities:					
Creditors: Amounts falling due within one year	15	(3,531)	(3,700)	(3,538)	(3,708)
Net current assets		4,751	5,046	4,743	5,038
Total assets less current liabilities		29,967	35,357	29,959	35,349
Creditors: Amounts falling due after more than one year	15	(2,370)	(2,886)	(2,370)	(2,886)
Net assets excluding pension liability		27,597	32,471	27,589	32,463
Defined benefit pension scheme liability	17(c)	(3,291)	(19,460)	(3,291)	(19,460)
Total net assets		24,306	13,011	24,298	13,003
The funds of the charity: Unrestricted					
Designated Funds	18	5,344	5,584	5,344	5,584
Free Reserves	18	22,253	26,887	22,245	26,879
Pension reserve	18	(3,291)	(19,460)	(3,291)	(19,460)
Total unrestricted and charity funds		24,306	13,011	24,298	13,003

The financial statements on pages 31 to 53 were approved and authorised for issue by the Board of Directors on 8 November 2023 and signed on its behalf by



J L Cocking, Chair
Company number 00900899

Consolidated statement of cash flows

for the year ended 31 March 2023

	Note	2022-23	2021-22
		£'000	£'000
Cash flows from operating activities	19(a)	(2,970)	(2,993)
Cash flows from investing activities			
Dividends from investments, interest and rents		457	480
Purchase of fixed assets		(125)	(126)
Proceeds from sale of investments		24,145	6,383
Purchase of investments		(22,390)	(4,912)
Movement in cash held for investment		1,702	(1,368)
Net cash provided by investing activities		3,789	457
Cash flows from financing activities			
Receipt of CBILS loans		-	2,000
Repayments of borrowing		(476)	(371)
Net cash (used) / received in financing activities		(476)	1,629
Change in cash and cash equivalents in the reporting period		343	(907)
Cash and cash equivalents at the beginning of the reporting period		4,254	5,131
Effect of foreign exchange rate changes on cash and cash equivalents		20	30
Cash and cash equivalents at the end of the reporting period	19(b)	4,617	4,254

Notes to the financial statements

for the year ended 31 March 2023

1. Status of the NFER

NFER is a company domiciled and incorporated in England and Wales under the Companies Act (Company No. 00900899) and is limited by guarantee. In the event of NFER being wound up the liability of its members, the number of whom is variable, is limited to £1 each. NFER is exempt from tax on income and

gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable purposes by virtue of being a registered charitable body (Charity No. 313392). NFER's subsidiary undertakings are detailed in Note 13 to the accounts.

2. Accounting policies

a) Accounting convention and basis of preparation of the financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the Statement of Recommended Practice (The FRS 102 Charities SORP 2nd Edition), the Companies Act 2006 and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and the Charities Act 2011.

The consolidated financial statements incorporate the accounts of NFER and all of its subsidiary undertakings using the acquisition method from the date that control passes. All financial statements are made up to 31 March each year.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds with the

exception of note 10 where they are stated in pounds.

The accounting policies of the group and company remain unchanged from the previous year.

b) Going concern

The Trustees have determined that, notwithstanding high levels of inflation, there are no material uncertainties related to events or conditions that cast significant doubt on the NFER's ability to continue as a going concern for at least 12 months beyond the date the accounts are signed, as there is sufficient work secured for the next 12 months and the organisation has enough cash and investments that can be easily liquidated to cover running costs for that period.

c) Recognition of income and expenditure

Income and direct research expenditure are recognised as project activity progresses. Income is recognised as earned when, and to the extent that, the charity obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to

consideration, which represents amounts chargeable. In respect of incomplete research projects, the income recognised reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Income recognised but not yet invoiced is included in debtors as 'amounts recoverable on contracts'. Income billed in advance of contract performance is included in creditors as 'deferred income and payments on account'.

Any excess direct expenditure on completed projects, or any excess direct expenditure on incomplete projects which is unlikely to be recovered over the life of the project, is provided for in full as soon as it is anticipated.

Other income and expenditure is recognised on an accruals basis when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Government grant income represents the total amount claimed from HMRC under the Coronavirus Job Retention Scheme (CJRS). The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

d) Expenditure

Direct charitable expenditure relates to salaries and expenditure directly incurred in the delivery of research, educational services, and related resources. Staff salaries are allocated to specific projects, products and services based on the time spent on those activities.

Support costs comprise the costs of non-research staff, accommodation and other overheads; these costs are allocated between activities on the basis of direct salaries.

Leased assets and obligations: annual rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term, with any lease incentives or rent free periods spread over the lease term.

e) Impact projects and educational resources development

NFER invests in its own research and development activity. Any such expenditure is written off to the income and expenditure account in the period in which it is incurred. Also, development expenditure for new educational resources is written off in the year in which it is incurred.

f) Fixed assets and depreciation

Freehold property and other assets are included in the accounts at cost.

Both tangible and intangible fixed assets are depreciated/amortised by equal annual instalments over their estimated useful lives as follows:

Freehold buildings	50 years
IT equipment	1 to 5 years
Other equipment	1 to 5 years
Software	1 to 5 years

Freehold land is not depreciated.

Assets that are impaired in value are written down to their economic value.

Assets purchased/acquired for less than £5,000 are not capitalised.

Intangible assets comprise software.

g) Investments

Investments are stated in the balance sheet at market value.

h) Stock: finished goods

Stocks have been valued at the lower of cost and net realisable value.

i) Employee benefits

Retirement benefits to employees of NFER are provided by its own defined contribution scheme, the People's Pension scheme, the Teachers' Pension Scheme (TPS) and the Buckinghamshire Pension Fund.

Contributions in respect of NFER's defined contribution scheme and The People's Pension scheme are charged to the Statement of Financial Activities in the year they are payable.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable pay. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 17, the TPS is a multi-employer scheme and NFER is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised in the Statement of Financial Activities in the year they are payable.

NFER is a non-active member of the Buckinghamshire Pension Fund, a defined benefit pension scheme. The scheme is funded, with the assets held separately from the company in trustee administered funds. The liability recognised in the balance sheet in respect of defined benefit pension schemes is the fair value of the pension scheme liabilities less the fair value of the assets held in the scheme. Pension scheme assets are measured at fair value and the liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined benefit schemes the expected return on assets and the interest cost are shown as a net finance gain or loss. Actuarial gains and losses are recognised immediately in other gains and losses.

j) Fund Accounting

Designated funds are unrestricted funds set aside at the discretion of the Trustees for

specific purposes as described in Note 18 to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Unrestricted funds represent projects and other income received that contains no restriction relating to the use of those funds.

k) Irrecoverable VAT

All input VAT that cannot be recovered in full is expensed. The amount of input VAT credited to overheads that can be partially recovered is calculated using the standard turnover method.

l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange applicable at the balance sheet date. Transactions in foreign currencies are recorded at the rate applicable at the date of the transaction. All differences are taken to the Statement of Financial Activities.

m) Unrealised gains and losses

NFER operates a 'mark-to-market' policy, whereby the carrying value of the company's investments is updated to market value on a continuous basis. As a result, gains and losses on investments held at the year end are classified as unrealised.

n) Debtors

Trade debtors are amounts invoiced and unpaid. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Amounts invoiced but not yet due for payment are recognised as debtors.

o) Cash at bank and in hand

Cash at bank and in hand includes cash and short term liquid deposit accounts which are repayable on demand or at short notice.

p) Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

q) Financial instruments

NFER has financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are subsequently measured at fair value through the statement of financial activities.

3. Judgements and key sources of estimation uncertainty

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.

The estimates and assumptions with the most significant effect on amounts recognised in the financial statements are as follows:

a) Project income recognition

Income from projects is assessed on an individual basis with income being recognised based on the stage of completion of the project which is estimated using a combination of the milestones in the contract and the time and costs spent to date compared to the total expected to be required to undertake the project. Estimates of the total time and costs required to complete the projects are made on a quarterly basis and subject

to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

b) Defined benefit pension scheme (Buckinghamshire Pension Fund) assumptions

The charity has an obligation to pay pension benefits to certain employees under a defined benefit pension scheme. The cost of these benefits and the present value of the obligation depend on a number of factors that are determined on an actuarial basis using a variety of assumptions including; life expectancy, asset valuations and the discount rate on corporate bonds. Any changes in these assumptions, which are disclosed in Note 17, will impact the carrying amount of the pension liability.

4. Income

a) Government grants and donations

This represents income claimed from HMRC under the Coronavirus Job Retention Scheme (CJRS).

b) Charitable activities

	2023	2022
	£'000	£'000
Research	14,137	12,019
Educational Resources	6,804	6,993
	20,941	19,012

Research

This comprises income from the following activities:

- undertaking research related to education and training
- the development and use of assessment instruments and procedures
- undertaking surveys and similar services to support research

- supplying information developed from the above to stakeholders in schools and other education institutions.

It is not possible to analyse income into the above categories as the majority of projects involve a mixture of all elements.

Educational resources

This comprises the sale of educational resources and services, predominantly to schools, including our Optional Tests.

c) Investment income

	2023	2022
	£'000	£'000
From listed investments	435	465
Interest on cash deposits	13	8
	448	473

d) Other

This comprises rent receivable including service charges.

5. Charitable activities expenditure

Alongside funding its own research, NFER has invested significantly into different aspects of the business in both the current year and prior year. This reflects a deliberate intention by the Trustees

to transform NFER's technology and processes in order to put the charity in a stronger position to support the education system in future.

For year ended 31 March 2023

	Direct salaries	Direct costs	Support costs	2023 Total
	£'000	£'000	£'000	£'000
Research	8,342	3,404	4,193	15,939
Educational resources	949	2,191	1,121	4,261
Educational resource development	1,876	1,101	1,063	4,040
Total	11,167	6,696	6,377	24,240

For year ended 31 March 2022

	Direct salaries	Direct costs	Support costs	2022 Total
	£'000	£'000	£'000	£'000
Research	7,258	2,846	4,401	14,505
Educational resources	746	1,937	453	3,136
Educational resource development	1,504	611	911	3,026
Total	9,508	5,394	5,765	20,667

6. Support Costs

	2023	2022
	£'000	£'000
Salary and pension costs	3,898	3,550
Recruitment and other staff costs	656	550
Property and office costs	931	666
Consultancy	253	337
Marketing	131	147
Depreciation	345	327
Amortisation	20	18
Exchange gains	(43)	(1)
Governance (see Note 7)	186	171
*Including transactional gains	6,377	5,765

7. Governance costs

	2023	2022
	£'000	£'000
Audit and legal fees	121	112
Insurance	65	59
	186	171

8. Net expenditure before gains on investments

Net expenditure before gains on investments is stated after charging:

	2023	2022
	£'000	£'000
Auditor's remuneration (incl. VAT)		
- as auditors	38	35
- for other services	4	4
Depreciation and amortisation	365	345
Operating lease rentals - land and buildings and other assets	37	50

9. Employees

Staff costs during the year:

	2023	2022
	£'000	£'000
Wages and salaries	12,756	11,074
Social security costs	1,224	997
Pension costs	1,085	987
	15,065	13,058

The average number employed (excluding the Trustees) during the year for Group and Company was:

	2023		2022	
	FTE	Head count	FTE	Head count
Permanent staff	232	249	220	238
Temporary staff	49	346	23	125
	281	595	243	363
Research staff	195	417	172	250
Other staff	86	178	71	113
	281	595	243	363

Key management personnel comprise the Trustees and the Senior Management Team.

None of the Trustees, who are the directors of the company, received any remuneration in the current or previous year.

The six (2022: six) members of the Senior Management Team received total remuneration of £820k (2022: £791k) comprising both annual salary and pension contributions.

The following number of employees earned £60,000 per annum or more:

	2023	2022
	Number	Number
£60,001-£70,000	17	12
£70,001- £80,000	12	6
£80,001- £90,000	1	1
£90,001-£100,000	3	5
£100,001-£110,000	3	-
£110,001- £120,000	1	1
£140,001-£150,000	1	1

The number of higher paid staff to whom retirement benefits are paid into defined contribution pension schemes was 38 (2022: 26). The total contribution in respect of these employees was £303,082 (2022: £221,166).

The charity made redundancy payments of £15,928 during the year (2022: £31,280).

10. Members of the Board

Five trustees received expenses of £1,040 in total for travel and subsistence costs (2022: £340).

During the year insurance costing £11,209 (2022: £9,178) was purchased to indemnify the Trustees

and other officers against the consequences of any neglect or default on their part and to protect NFER from loss arising from the neglect or default of its Board, officers or staff.

11. Intangible and Tangible fixed assets

Intangible Fixed Assets Group & Company

**IT
Software
£'000**

Cost

1 April 2022	167
Additions in year	-
31 March 2023	167

Amortisation

1 April 2022	147
Charge for year	20
31 March 2023	167

Net book value

31 March 2023	-
1 April 2022	20

Tangible Fixed Assets Group & Company	Land	Freehold property	IT equipment	Other equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
1 April 2022	700	7,612	1,230	490	10,032
Additions in year	-	-	59	66	125
31 March 2023	700	7,612	1,289	556	10,157
Depreciation and Impairment					
1 April 2022	-	3,203	932	333	4,468
Charge for year	-	152	120	73	345
31 March 2023	-	3,355	1,052	406	4,813
Net book value					
31 March 2023	700	4,257	237	150	5,344
1 April 2022	700	4,409	298	157	5,564

All assets continue to be used for charitable purposes. It is not practicable to split assets between direct and support expenditure.

12. Investments

Group and Company

	2023	2022
	£'000	£'000
Listed Investments		
Market value at 1 April 2022	22,927	23,139
Less: Disposals at net book value	(24,145)	(6,383)
Add: Acquisitions at cost	22,390	4,912
Net (loss) / gain on revaluation at 31 March 2023	(1,398)	1,259
Market value at 31 March 2023	19,774	22,927
Cash allocated for investment	98	1,800
Total Investments at 31 March 2023	19,872	24,727

Investments can be analysed as follows:

UK Investments (including cash)	8,314	15,094
Non UK Investments	11,558	9,633
	19,872	24,727

Total investment income for the year amounted to £435k. Of this sum, £295k was derived from investments held in the UK and £140k derived from non UK investments.

The historic cost of listed investments is £19.6m (2022: £18.4m).

13. Subsidiary Undertakings

a) NFER Trading Limited (Company Number 03954591)

NFER Trading Ltd is a company registered in England and Wales (company number 03954591), with a share capital of £100 and wholly owned by NFER. It was established to pursue trading opportunities outside of NFER's charitable objectives and to protect the charity from commercial risk.

This company remained dormant throughout the year. At the balance sheet date the company had a net surplus on its capital and reserves of £7,730 (2022: £7,730 surplus). Audited accounts are available at Companies House.

NFER Trading Limited's Balance sheet:

	2023	2022
	£'000	£'000
Debtors & Cash	8	8
Creditors & Other Liabilities	-	-
Capital & Reserves	8	8

b) i-nfer assessment Limited (Company Number 05946075)

This company remained dormant throughout the year following the transfer of the trade and assets to NFER in the 2010/11 financial year.

14. Debtors

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade debtors	1,610	1,642	1,610	1,642
Other debtors	2	110	2	110
Prepayments	459	359	459	359
Amounts recoverable on contracts	1,096	1,895	1,096	1,895
	3,167	4,006	3,167	4,006

Trade debtors are stated after provisions for impairment of £50k (2022: £50k).

15. Creditors

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<i>Amounts falling due within one year:</i>				
Mortgage loan	416	393	416	393
CBILS loans	100	83	100	83
Provision for pensions	153	137	153	137
Trade creditors	327	310	327	310
Other taxation and social security	377	318	377	318
Deferred income and payments on account	964	1,198	964	1,198
Accruals	1,194	1,261	1,194	1,262
Subsidiary undertakings	-	-	7	7
	3,531	3,700	3,538	3,708
<i>Amounts falling due after more than 1 year:</i>				
Mortgage loan	553	969	553	969
CBILS loans	1,817	1,917	1,817	1,917
	2,370	2,886	2,370	2,886

The mortgage loan represents the amount that remains outstanding on an initial facility of £5.5 million. The loan is a fixed interest loan at 5.67% for its 20-year term from May 2005 which, with the capital repayment, fixes the annual outlay to the same rate for each year. The loan is secured by way of fixed charge over the property assets of NFER, and the company is required to maintain a loan to value (LTV) ratio below 60%. The LTV ratio as at the 31 March 2023 was 11.7% (2022: 16.4%).

All deferred income relates to project income held at the balance sheet date for work to be completed in the following year. All deferred income held at the end of the previous financial year has been released within the year.

Financial commitments under a 20-year mortgage will result in the following capital payments falling due in the future.

	2023	2022
	£'000	£'000
Within one year	416	393
Between two and five years	553	969
Total	969	1,362

Two Coronavirus Business Interruption Loan Scheme (CBILS) loans, secured on 25 March 2021, totalling £2.0m were drawn down on 5 May 2021. Financial commitments under the two CBILS loans will result in the following capital payments falling due in the future.

	2023	2022
	£'000	£'000
Within one year	100	83
Between two and five years	1,817	408
More than 5 years	-	1,509
Total	1,917	2,000

16. Financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due as follows:

Group and Company	2023	2023	2022	2022
	Land and Buildings	Other	Land and Buildings	Other
	£'000	£'000	£'000	£'000
Expiring:				
Within one year	2	4	19	2
Between two to five years	20	24	-	26
	22	28	19	28

17. Pension benefits

As at 31 March 2023, NFER (the Company and the Group) participated in three pension schemes:

- Defined Contribution Scheme administered by Standard Life's Master Trust (from July 2022 and previously independently managed by Pan Trustees Ltd). In September 2022, the assets in the scheme administered by Pan Trustees were transferred to the Standard Life Master Trust and the Pan scheme is in the process of being wound up.
- Teachers' Pension Scheme administered by Teachers' Pensions on behalf of the Department for Education.
- The People's Pensions, a large independent pension provider that we use for auto-enrolment for staff opting out of the Defined Contribution Scheme administered by Pan Trustees.

NFER's active membership of the Buckinghamshire Pension Fund, a defined benefit pension scheme, ceased in 2011.

Defined Contribution Scheme

Contributions to the scheme are charged to the Statement of Financial Activities as they become payable.

Teachers' Pension Scheme

The Department for Education Pension Scheme 2014, known as the Teachers' Pensions Scheme (TPS), is governed by the Teachers' Pensions Regulations. Under the regulations, contributions to the scheme are credited to the Exchequer and pension benefits together with all other expenditure are paid out of monies provided by Parliament. The Government Actuary is required to conduct a review at intervals of not less than every four years, with interim valuations in between, using normal actuarial principles. The aim of the review is to specify the level of future contributions.

The standard contribution rate (SCR) on pension contributions is assessed in two parts: firstly a standard contribution, expressed as a percentage, that during the period would broadly defray the cost of benefits payable in respect of that service, and secondly, a supplementary contribution payable if, as a result of an actuarial investigation, it is found that accumulated liabilities for past and present teachers are not met by standard contributions to be paid in the future and by the notional fund built up from past contributions.

Contribution rates for the period have been set at an employer contribution rate of 23.68% and at employee rates ranging from 7.4% to 11.7%, depending on salary levels.

Under the definitions set out in FRS 102, the Teachers' Pension Scheme is a multi-employer pension scheme. NFER is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, NFER has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. NFER has set out above the information available on the scheme.

At 31 March 2023 there were 4 (2022:5) active members of the scheme.

The People's Pension Scheme

The People's Pension scheme is for employees who have chosen not to participate in the Defined Contribution Scheme and so have been auto-enrolled into this scheme. At 31 March 2023 there were 2 permanent and 250 temporary (2022: 4 permanent and 239 temporary) members of the scheme. Not all of the temporary members will have contributed during the year.

Buckinghamshire Pension Fund

The Buckinghamshire Pension Fund is accounted for as a defined benefit scheme under Financial Reporting Standard 102 s17.22 on retirement benefits.

From 1 July 2011, the NFER, following agreement with the Buckinghamshire Pension Fund, ceased active membership of the defined benefit pension scheme. On 30 November 2015 NFER and Buckinghamshire Pension Fund reached a settlement agreement that set out the arrangement for NFER to pay off its share of the Buckinghamshire Pension Fund deficit over the next 19 years. NFER made an initial payment of £1m on signing the settlement and is making further payments of £422,000 per annum starting from 1 January 2016 (subject to inflation) over the remaining term of the agreement. In the event that a deficit remains in NFER's share of the fund at the end of this period, NFER and the Buckinghamshire Pension Fund will agree on how to settle the outstanding amount.

The contributions to the Buckinghamshire Pension Fund are determined by a qualified actuary on the basis of a triennial valuation using the projected unit method. The most recent valuation was at 31 March 2022.

The valuation in 2022 showed that the market value of the total fund's assets was £3.85bn (2019: £3.01bn) with a surplus of £137m at 31 March 2022 as there is an excess of assets over the liabilities (2019: deficit of £186m), equivalent to a 104% (2019: 94%) funding level.

At 31 March 2022 there were 0 (2019: 0) active members of the scheme, with 249 (2019: 269) deferred pensioners and 196 (2019: 190) pensioners.

The actuarial valuation has been updated on an approximate basis to 31 March 2023 as set out below.

a) Assumptions:

i) Demographic

Life expectancy of members from age 65 is assumed as follows:

	Retiring today (March 2023)	Retiring in 20 years (March 2043)
	Years	Years
Males	21.1	22.3
Females	24.6	26.0

ii) Financial

The major assumptions used by the actuary were (in nominal terms):

	At 31 March 2023	At 31 March 2022
Price increases (CPI)	2.9%	3.2%
Rate of increase in salaries	2.9%	3.2%
Rate of increase in pensions	2.9%	3.2%
Discount rate	4.8%	2.6%

b) Assets in the scheme and expected rate of return:

	Value at 31 March 2023	Value at 31 March 2022
	£'000	£'000
Equities	20,725	21,928
Property	1,972	2,539
Gilts	3,114	4,026
Other Bonds	3,982	5,553
Cash	703	1,388
Alternative Assets	2,523	1,224
Multi Assets	3,488	3,745
Private Debt	739	236
Total	37,246	40,639

c) Net pension liability:

	As at 31 March 2023	As at 31 March 2022
	£'000	£'000
Present value of funded obligations	40,522	60,078
Fair value of scheme assets (bid value)	(37,246)	(40,639)
Net liability	3,276	19,439
Present value of unfunded obligation	15	21
Net Liability in Balance Sheet	3,291	19,460

d) Statement of financial activities costs for the year:

The amounts recognised in the statement of financial activities are:	Year to 31 March 2023	Year to 31 March 2022
	£'000	£'000
Net interest on the defined liability	500	471
Administration expenses	36	32
Total	536	503
Actual return on scheme assets	(2,218)	2,730

e) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	Year to 31 March 2023	Year to 31 March 2022
	£'000	£'000
Opening defined benefit obligation	60,099	62,858
Interest cost	1,542	1,241
Experience loss on defined liability obligation	2,620	183
Change in financial assumptions	(20,177)	(2,575)
Change in demographic assumptions	(1,932)	-
Estimated benefits paid net of transfers in	(1,612)	(1,605)
Unfunded pension payments	(3)	(3)
Closing defined benefit obligation	40,537	60,099

f) Reconciliation of opening and closing balances of the fair value of scheme assets:

	Year to 31 March 2023	Year to 31 March 2022
	£'000	£'000
Opening fair value of scheme assets	40,639	39,087
Interest on assets	1,042	770
Return on assets less interest	(3,401)	1,960
Other actuarial gains	141	-
Administration expenses	(36)	(32)
Contributions by employer including unfunded benefits	476	462
Estimated benefits paid net of transfers in and including unfunded benefits	(1,615)	(1,608)
Fair value of scheme assets at end of period	37,246	40,639

g) Reconciliation of opening and closing deficit:

	Year to 31 March 2023	Year to 31 March 2022
	£'000	£'000
Deficit at beginning of the year	(19,460)	(23,771)
Net interest on defined liability and administration expenses	(536)	(503)
Contributions by employer	473	459
Unfunded pension payments	3	3
Other finance gain	-	1
Actuarial gains	16,229	4,351
Deficit at end of the year	(3,291)	(19,460)

18a. Statement of movement in Reserve Funds: 1 April 2022 to 31 March 2023

Group	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL 2023
Unrestricted funds	£'000	£'000	£'000	£'000
Balance brought forward at 1 April 2022	5,584	(19,460)	26,887	13,011
Net movement in resources	(240)	16,169	(4,634)	11,295
Balance carried forward at 31 March 2023	5,344	(3,291)	22,253	24,306

Represented by:

Fixed assets	5,344	-	19,872	25,216
Current assets	-	-	8,282	8,282
Creditors falling due within one year	-	-	(3,531)	(3,531)
Creditors falling due after one year	-	-	(2,370)	(2,370)
Defined benefit pension liability	-	(3,291)	-	(3,291)
	5,344	(3,291)	22,253	24,306

Company	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL 2023
Unrestricted funds	£'000	£'000	£'000	£'000
Funds				
Balance brought forward at 1 April 2022	5,584	(19,460)	26,879	13,003
Net movement in resources	(240)	16,169	(4,634)	11,295
Balance carried forward at 31 March 2023	5,344	(3,291)	22,245	24,298

Represented by:

Fixed assets	5,344	-	19,872	25,216
Current assets	-	-	8,281	8,281
Creditors falling due within one year	-	-	(3,538)	(3,538)
Creditors falling due after one year	-	-	(2,370)	(2,370)
Defined benefit pension liability	-	(3,291)	-	(3,291)
	5,344	(3,291)	22,245	24,298

18b. Statement of movement in Reserve Funds: 1 April 2021 to 31 March 2022

Group	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL 2022
Unrestricted funds	£'000	£'000	£'000	£'000
Balance brought forward at 1 April 2021	5,803	(23,771)	27,233	9,255
Net movement in resources	(219)	4,311	(336)	3,756
Balance carried forward at 31 March 2022	5,584	(19,460)	26,887	13,011

Represented by:

Fixed assets	5,584	-	24,727	30,311
Current assets	-	-	8,746	8,746
Creditors falling due within one year	-	-	(3,700)	(3,700)
Creditors falling due after one year	-	-	(2,886)	(2,886)
Defined benefit pension liability	-	(19,460)	-	(19,460)
	5,584	(19,460)	26,887	13,011

Company	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL 2022
Unrestricted funds	£'000	£'000	£'000	£'000
Funds				
Balance brought forward at 1 April 2021	5,803	(23,771)	27,215	9,247
Net movement in resources	(219)	4,311	(336)	3,756
Balance carried forward at 31 March 2022	5,584	(19,460)	26,879	13,003

Represented by:

Fixed assets	5,584	-	24,727	30,311
Current assets	-	-	8,746	8,746
Creditors falling due within one year	-	-	(3,708)	(3,708)
Creditors falling due after one year	-	-	(2,886)	(2,886)
Defined benefit pension liability	-	(19,460)	-	(19,460)
	5,584	(19,460)	26,879	13,003

18. Statement of movement in Reserve Funds: 1 April 2022 to 31 March 2023

Designated funds

The Board of Trustees have designated unrestricted reserves for the following purposes:

Fixed Assets

The value of this fund is equal to the fixed asset value on the balance sheet (of which most relates to property). It recognises that these funds are illiquid in nature and are consequently not available for business expenditure (the assets would have to be sold in order to realise the cash).

Undesignated funds

Free Reserves

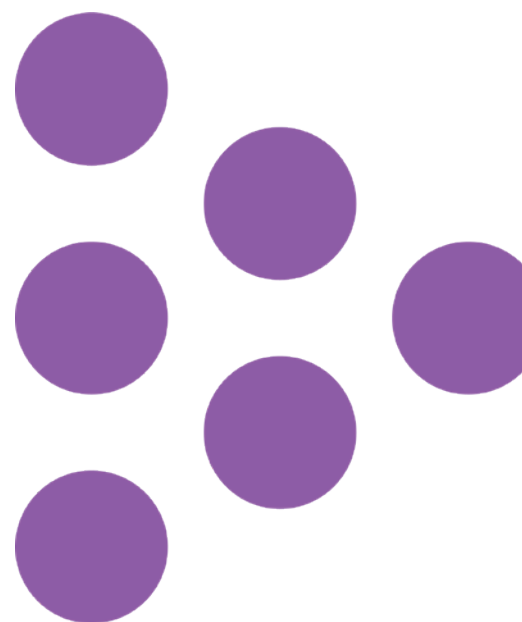
The charity maintains a level of free reserves in order to fund its working capital and future developments and retain a level of contingency. The target level of net free reserves is set in the range of three to six months of unavoidable expenditure which for 2022-23 amounts to £4.5m and £9m. The current level of net free reserves less the pension reserve (see below) stands at £19m (2022: £7.4m). The free reserves balance at the end of the year has been significantly impacted by the assumptions used by the actuary to determine the level of the pension reserve. Given the changing assumptions and resulting volatility in value of the reserves, the trustees do not propose to make changes to NFER's reserves policy or the current level of reserves until inflation and discount rates have stabilised.

Pension Reserve

This is a reserve to recognise NFER's share of the estimated deficit of the Buckinghamshire Pension Fund as calculated in accordance with FRS102. NFER and Buckinghamshire Pension Fund signed a Settlement Agreement on 30 November 2015, which sets out the arrangements for paying off NFER's share of the scheme deficit over a 19-year period.

Restricted funds

No restricted funds were held at the reporting date.



19. Notes to the cash flow statement

a) Reconciliation of Group net income to net cash flow from operating activities

	2023	2022
	£'000	£'000
Net deficit for the reporting period (as per the statement of financial activities)	(4,934)	(595)
Adjustments for:		
Depreciation and amortisation charges	365	345
Losses / (gains) on investments	1,398	(1,259)
Dividends from investments, interest and rents	(457)	(480)
Defined benefit pension scheme cost	536	503
Payments towards pension deficit	(476)	(462)
Increase in stocks	(12)	(72)
Decrease/(increase) in debtors	839	(503)
Decrease in creditors	(209)	(440)
Unrealised foreign exchange gain	(20)	(30)
Net cash used by operating activities	(2,970)	(2,993)

b) Analysis of Cash and Cash Equivalents

	2023	2022
	£'000	£'000
Cash in hand and at bank	4,607	3,751
Notice deposits (less than 5 months, 2022: less than 5 months)	10	503
Total cash and cash equivalents	4,617	4,254

c) Reconciliation to net funds

	2023	2022
	£'000	£'000
Net funds at 1 April 2022 (Note 19(d))	892	3,398
Increase/(decrease) in cash during the year	343	(907)
Receipt of CBILS loan	-	(2,000)
Cash inflow from reduction of debt	476	371
Effect of exchange rate changes on cash held in other currencies	20	30
Net funds at 31 March 2023 (Note 19(d))	1,731	892

d) Analysis of net funds

	As at 1 April 2022	Cash flows	Transfers	As at 31 March 2023
	£'000	£'000	£'000	£'000
Cash at bank	4,254	363		4,617
Debt – due within one year	(476)	476	(516)	(516)
Debt – due after more than one year	(2,886)		516	(2,370)
	892	839	-	1,731

20. Results of the Company

As permitted under Section 408 of the Companies Act 2006, the Statement of Financial Activities of the company has not been presented as part of these financial statements. The results of the parent undertaking for the year ended 31 March

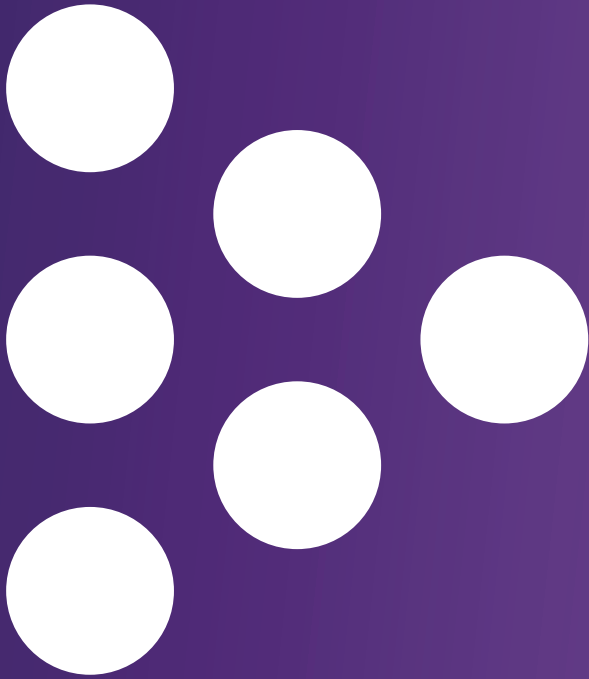
2023 was a net movement in funds of £11,295k after actuarial gains on the defined benefit pension scheme of £16,229k (2022: net movement in funds of £3,756k after actuarial gains of £4,351k).

21. Related party transactions

The parent company has the following related party transactions that need to be disclosed under FRS102 section 9:

	2023	2022
	£'000	£'000
Balance between parent company and NFER Trading Ltd	(7)	(7)
Inter-company recharge of expenses during the year	-	-

There are no other related party transactions.



Evidence for excellence in education

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