

Report of the Trustees and financial statements

YEAR ENDED 31 MARCH 2024



 **NFER**
National Foundation for
Educational Research

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Officers and members of the Board of Trustees

President	Vacant position
Vice President	Ms A J Shaw, MA (Hons)
Chair of Board of Trustees	Ms J L Cocking, MBE, 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) (resigned 17 July 2024)
	Mr N Hillman, BA (Hons), PGCE, MA
	Mr P James, MA (Hons) Cantab, PGCE
	Mr M Keen, MA (Hons) Oxon, FCA, (1)(2)(3)
	Ms K Kroger, BA (Hons), FCA (2)
	Mr S Macdonald, BA (Hons), Solicitor (1)(3)(4)
	Mr D Madoc-Jones, BA (Hons) (2)(4)
	Ms D Rose, BA, MBA
	Mr C Ryan, BA (Hons), MA
Membership of committees	(1) Remuneration Committee
	(2) Finance Committee
	(3) Nominations Committee
	(4) Investment Committee

Administrative details

for the year ended 31 March 2024

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	NatWest Commercial Banking, 1st Floor, 440 Strand, London WC2R 0QS
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) (retired 6 October 2023)

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

Mr A Read MA (Hons) Oxon (Chief Digital Officer) (resigned 31 May 2024)

Mr P Spall, FCMA (Interim Chief Financial Officer) (13 December 2023 to 3 June 2024)

Mr P Spall, FCMA (Interim Chief Digital Officer) (appointed 3 June 2024)

Mr S Tarr, ACA (Chief Financial Officer and Company Secretary) (appointed 3 June 2024)

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

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

Chair's Statement

NFER provides actionable insights that can help address the challenges faced by education systems in the UK and internationally, improving outcomes for children and young people.

This report highlights ways in which NFER has contributed to education policy and practice over the last year and the work we have done to keep the conversation around education firmly on the public's agenda. This includes our on-going research on the effects of the Covid-19 pandemic, which continues to help schools and policy makers understand how to address the long-term impact on children's learning and development.

Education faces a wide range of challenges beyond those created by Covid. Our sector-leading research on workforce supply and the impact of shortfalls in teacher supply, gained widespread media interest, as did our work exploring the effects of the cost-of-living crisis on families and schools.

The financial statements in this document should be viewed in the context of the Trustees' decision to invest significantly in the business over a number of years, drawing from the healthy reserves we have built up over the last ten years to increase NFER's capability and offer. This will enable NFER to continue to expand its reach and impact in the longer term, whilst maintaining its focus on quality.

In particular, we have strengthened our e-assessment capabilities and recently launched a new suite of innovative and

high quality digital assessments for primary schools, which are explicitly designed for a digital platform. Created in collaboration with teachers, the results identify gaps in children's learning and allow teachers to tailor their approaches accordingly.

To have the greatest impact, our insights and recommendations need to reach the people who are directly responsible for change. Our engagement with politicians and decision makers is key – we regularly provide evidence for government inquiries and committees, and this year we have been particularly focused on raising the profile of education and the challenges it faces in the context of debates prior to the UK election.

We look forward to working with the new UK government, alongside our work with administrations and local partners in countries across the world, providing data and insights which can improve education outcomes for children everywhere.

A handwritten signature in blue ink, reading "Lorna Cocking".

Lorna Cocking, MBE
Chair of the Board of Trustees



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To have the greatest impact, our insights and recommendations need to reach the people who are directly responsible for change.

Report of the Board of Trustees

for the year ended 31 March 2024

The Board presents this annual Trustees' report and the audited accounts for the year ended 31 March 2024 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.

Visibility and influence

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 evidence and insights

Over the past year, NFER has published numerous reports, articles and other outputs to highlight the challenges that the education system faces and to provide guidance and recommendations on where policy and practice can be improved. This includes:

Disadvantage

The Covid-19 pandemic continued to have an impact on the education of children and young people in the country. NFER has continued to provide independent evaluations of the government's National Tutoring Programme (NTP), as well as other projects exploring wider issues around the sustainability of tutoring.

Cost-of-living pressures impacted the country during this year, and NFER's research highlighted how these pressures impacted pupils & families, school provision and staff in a three-part series of reports. The reports received widespread media coverage and political attention, ensuring that education was given necessary attention when it came to tackling the cost-of-living crisis.

Separately, we continued our work on Free School Meals (FSM) eligibility, analysing latest DfE statistics and publishing a blog post highlighting the implications of transitional arrangements for universal credit on FSM.

Teacher workforce

This year was a challenging period for the education sector with teachers taking industrial action over pay and working conditions. We continued our research into trends in the teacher workforce, demonstrating the challenges in teacher recruitment and retention. Our research analysed the issues behind the trends to provide a greater understanding, including the effectiveness of teaching bursaries on increasing recruitment and retention, and how different approaches to managing teacher workload and flexible working can support recruitment and retention.

In addition, we published new research, funded by Mission 44, a charitable foundation launched by Sir Lewis Hamilton, exploring the barriers to achieving a more diverse teaching workforce from entry to senior leadership levels. This builds on our previous research analysing diversity in the teacher workforce.

Skills

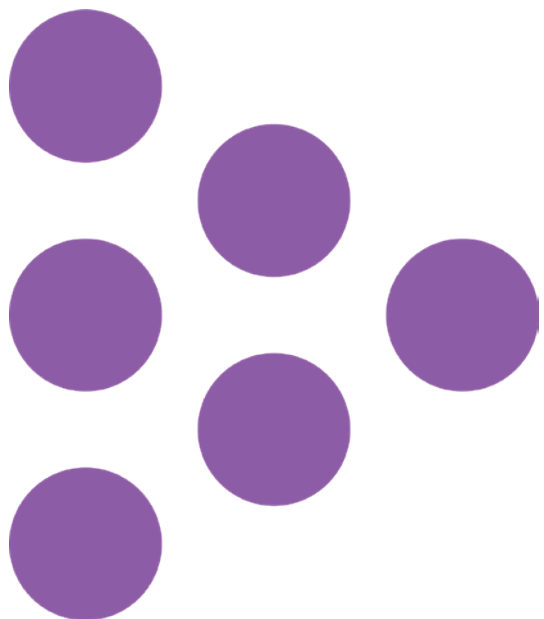
Our project to identify the essential employment skills needed for the future of work, the Skills Imperative 2035, produced new papers aiming to identify skills gaps and vulnerable groups. The research produced an analysis of the demand for skills in the labour market in 2035 as well as projecting where the at-risk jobs and job groups are.

Increasing visibility

Ensuring our evidence and insights reach the right audience to create positive change is an important aspect of our operations. This year, we presented our research to stakeholders at numerous regional and national events, including:

- National Schools and Academies Show,
- Festival of Education,
- ResearchEd national conference,
- EdTech Summit,
- NASBTT Annual Conference,
- Institute of Policy Research event,

and many more. Ahead of the general election we began a series of policy webinars aimed at exploring different education policy issues with politically diverse panels, in order to highlight what the political parties should be aiming to include in their manifestos.



Our research has drawn sector, regional and national media attention over the course of the year, with national media outlets being particularly interested in our teacher workforce and cost-of-living insights. Our team and our work have featured in many print and broadcast outlets, including:

- TES
- FE News
- Schools Week
- The Guardian
- The Independent
- Daily Mail
- Daily Telegraph
- The Spectator
- BBC 5 Live
- Times Radio
- LBC
- BBC 6 o'clock News
- ITV 6 o'clock News
- BBC Radio 4.

Informing policy

In order to use our research and evidence most effectively, we inform and influence the policymaking process through a variety of means. Submitting our evidence to government consultations and parliamentary inquiries ensures we are feeding our insights into the highest level of policymaking. This year, our research has been cited by:

- Ministers in responses to parliamentary questions
- House of Lords Committee on Education for 11 to 16 year olds.
- House of Commons Education Select Committee
- House of Commons Science and Technology Committee
- House of Commons Library Research Briefings
- School Teachers Pay Review Body
- National Audit Office.

We have sought to develop new and closer relationships with policymakers through a variety of means, including attendance and one-to-one meetings at the political party conferences, publication of articles in parliament's House Magazine, attending meetings and events of All-Party Parliamentary Groups, sending briefing papers to parliamentarians ahead of debates, and ensuring that our evidence is available to politicians ahead of parliamentary questions.

Growing our international education insights

We have expanded our international portfolio this year, with projects in Kazakhstan and Burundi, while building on established assessment work in Australia and our work with the Kenya National Examinations Council on building sustainable assessment capacity.

We continue to deliver our Monitoring, Evaluation & Learning partnership in Rwanda, which supports play-based learning in Science & Elementary Technology lessons for the Plug-in-Play project, and have appointed a new in-country partnership liaison to expand and strengthen our local network.

We have joined a number of international conferences in Ghana, Kenya, Senegal, the UK and the United States, sharing insights from a range of research including holistic learning measurements, assessing foundational learning, inspections and improvements in Ugandan secondary schools, and the regionalisation of large-scale assessments.

We published a new political economy analysis of education in Uganda, which offers evidence and insights that can help to further improve secondary school inspections and improvements, and contributed to *Beyond Boundaries: The Role of UK-Based Organisations in Advancing Global Gender Equality and Social Inclusion*, a report published by

British Expertise International. With further visits to Burundi, Kazakhstan, Kenya and Uganda, the team continue to engage with stakeholders from across the education sector, and have delivered item writing training, piloted a classroom observation tool and joined field visits to observe assessment practice. We have also been pleased to host visiting delegations at our offices in Slough, sharing NFER expertise, exchanging ideas and developing ideas for future collaboration.



Transforming our systems 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 and secure, which will ensure the best service for our customers, clients and research participants. We will continue to invest in upgrading 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.

Supporting classroom practice

This year we have continued our efforts to ensure our work supports teachers and school leaders in their classroom practice. Our first projects as lead evaluator for a new type of trial 'Teacher Choices', funded by the Education Endowment Foundation, saw us publish findings around the impact of different approaches to two everyday classroom activities, starting lessons and story time. Through our new Research Bites series, we shared free termly summaries of key findings and practical recommendations on research topics ranging from teacher recruitment and retention, through to the long-term impact of Covid-19 school closures on the youngest pupils.

Once again, our assessment services successfully delivered both the National Reference Test and the Reception Baseline Assessment in schools throughout England. NFER Tests and resources continue to

be trusted by thousands of schools and we continue to develop our assessment offering. This year saw us prepare for the launch of NFER Online Assessments for key stage 2 reading and maths. Our new interactive, standardised tests are designed to be fun and engaging for pupils to use. They will also deliver reliable information to teachers for diagnostic and summative assessment purposes. Our team oversaw the completion of standardisation, culminating in data collection and analysis of over 30,000 completed year 3 and 4 assessments, a technical trial in which schools provided qualitative feedback on their experience of using the assessments, and the development of video samples and demonstration accounts for schools and trusts to try out sample tests and assessment reports. NFER Online Assessments were launched in September 2024.

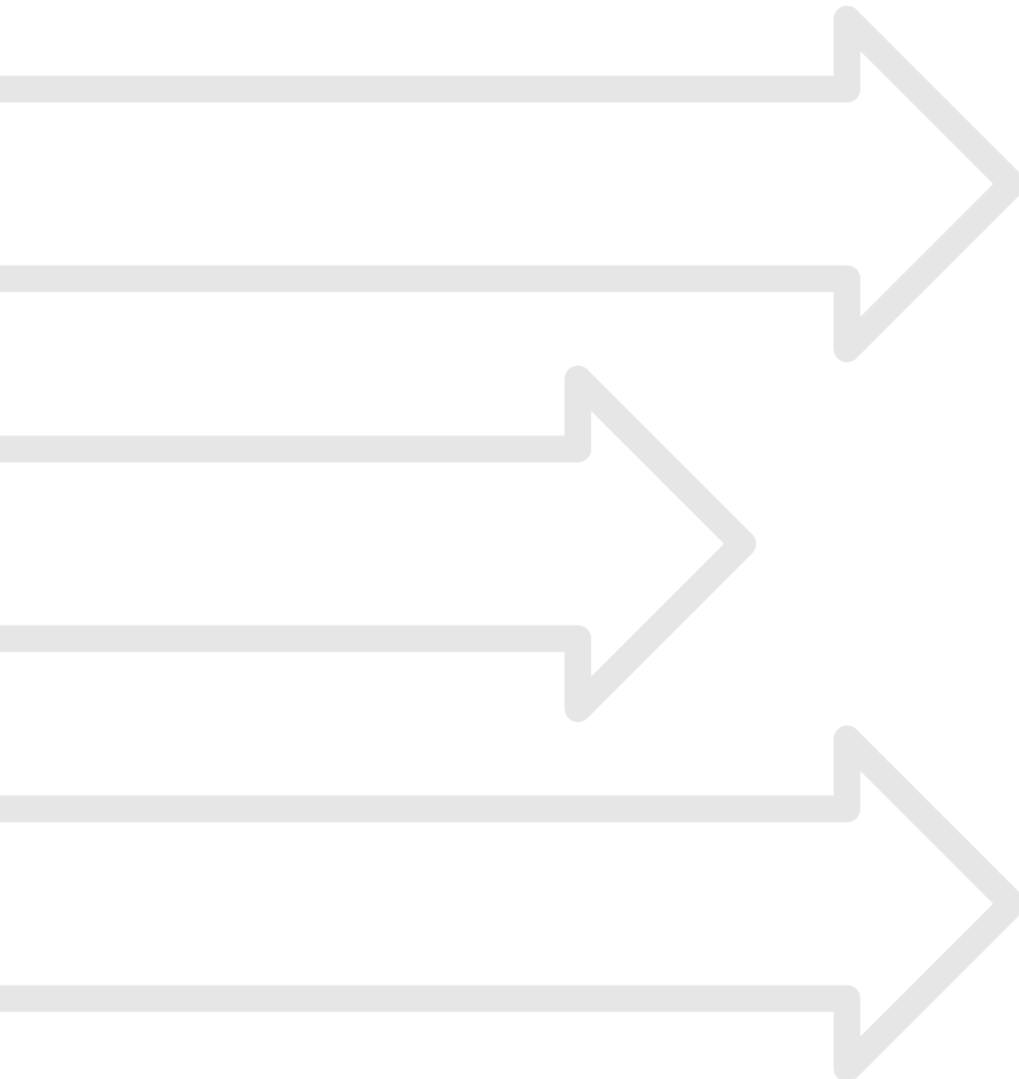


Looking forward

We will continue to invest in 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.

Following the general election, we look forward to forging new relationships with Ministers and new Members of Parliament to ensure that our research is readily available to help tackle the key education issues of the day.



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 is for those serving in the roles of Chair, Vice Chair and Treasurer who can serve up to four consecutive terms. 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 444,930kWh of electricity to power and air-condition its offices (2022-23: 458,100kWh) and 366,066kWh of gas to heat them (2022-23: 370,800kWh). In total these two sources of energy represent annual CO₂e emissions of 184 tonnes (2022-23: 170 tonnes). Refrigerant gases

for the air conditioning system added 195 tonnes in 2023-24 to its direct CO2 emissions (97.4 tonnes in 2022-23). 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 oversee an annual risk management exercise to identify the key risks to the charity, including all active subsidiaries, and to assess the impact and likelihood of the occurrence of each risk. Based on this analysis, Trustees ensure that appropriate systems and actions are 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 change in Government following the recent general election creates the risk of unexpected changes in education policy and research funding, which could have a significant bearing on NFER's projects and income. This risk is further enhanced by the well-publicised financial challenges the new Labour Government is facing. 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 and are facing difficult challenges in recruiting and retaining staff. There is a risk that this will limit the amount of time that schools can spend on engaging 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 continue to implement our 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 (one year and 2 months remaining at 31 March 2024), 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.
- Effective 16 September 2024, a loan facility with Barclays Bank Plc enabling NFER to borrow up to £2m to cover any short-term working capital requirements. This facility is secured via a fixed charge on NFER Investments held with Barclays Private Bank. This facility has been put in place to give NFER greater flexibility over managing any differences in timing between its cash inflows and its cash outflows in order to manage short-term working capital needs most efficiently.

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 £21.8m for the year (2022-23: £21.4m). Income from research was £14.6m (2022-23: £14.1m) whereas income from sales of our educational resources was £6.8m (2022-

23: £6.8m). Over the last few years, the Trustees have taken a deliberate decision to use some of the significant reserves held by the charity to invest in the business, which will enable it to grow and extend its reach in future. Investment has focused on transforming NFER's technology and strengthening the quality and efficiency of its work to better support the education system in future. As a result of this investment, there was a net deficit on charitable activities of £3.4m compared to a net deficit on charitable activities of £3.5m last year.

During the year, NFER withdrew £3m from its investments (2022-23 £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 £439k (2022-23: £448k) and the value of the portfolio at 31 March 2024 reduced to £18.3m from £19.9m at 31 March 2023.

Interest costs incurred on the mortgage decrease as the capital amount of the loan reduces; this year it was £44k compared to £67k 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 was calculated at £184k. The equivalent figure for the prior year was £536k.

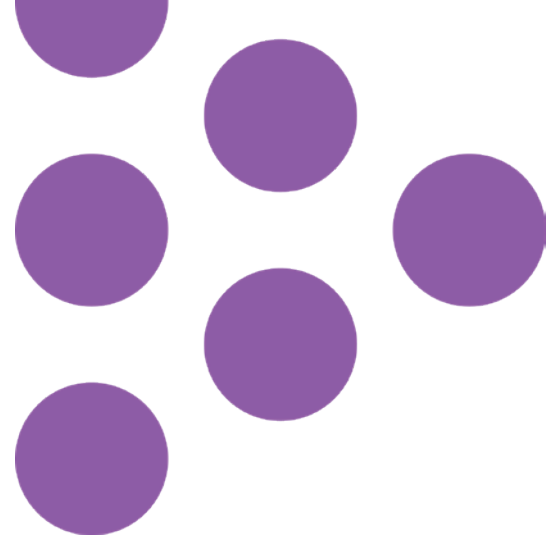
Overall, the organisation generated a total net deficit for the year of £2.1m compared to a net deficit of £4.9m in 2022-23. This reflects a loss on our charitable activities, resulting from the investment that is underway, of £3.4m which was reduced

by an increase of £1.3m in the value of our investments. In 2022-23, NFER had a loss on its charitable activities of £3.5m and a decrease in the value of its investments of £1.4m.

The FRS102 actuarial gains reported for this year amount to £2.9m (2022-23: gains of £16.2m). The result of this actuarial gain is a decrease in the net pension deficit from £3.3m in 2023 to £12k at the year end. The overall net movement of funds for the year, after these actuarial gains, amounted to £812k, which gives NFER total reserves of £25.1m at the end of the year, compared to £24.3m 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 £4.6m to £9.2m 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 2024, NFER's total group reserves stood at £25.1m (2023: £24.3m). This is composed of:

Designated fixed assets reserve	£5,137k	See Note 11
Pension reserve	(£12k)	Actuarial valuation of pension deficit
Unrestricted reserves	£19,993k	To allow the charity to manage challenges and opportunities
Total reserves	£25,118k	

The Trustees' strategy going forward is to manage the free reserves of the charity, which currently stand at approximately £20m, to a level 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 £18.3m following a capital withdrawal of £3m (2022-23: decreased to £19.9m). Overall, the investments did meet the objective of exceeding a return of CPI plus 4%.

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 challenging time particularly in relation to public finances. Securing research project income in this uncertain environment may prove a challenge, although the level of project income which NFER has secured for 25-26 is already 35% higher than the amount secured at this point last year for 24-25. Having reviewed the charity's future income streams, its investment portfolio

and the funding facilities available to it, the Trustees are confident 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. 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. Accordingly, Trustees 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 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 2023 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

2023 was 4.3% (2022: 5.7%) in favour of men as compared to the national average as at that date of +14.3% (2022 revised +14.4%). The mean average for NFER at the same date was 3.6% (2022: 2.2%) in favour of men. The median bonus gap is 0% in favour of men (prior year: 0% in favour of men).

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
6 November 2024

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 2024 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 2024 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

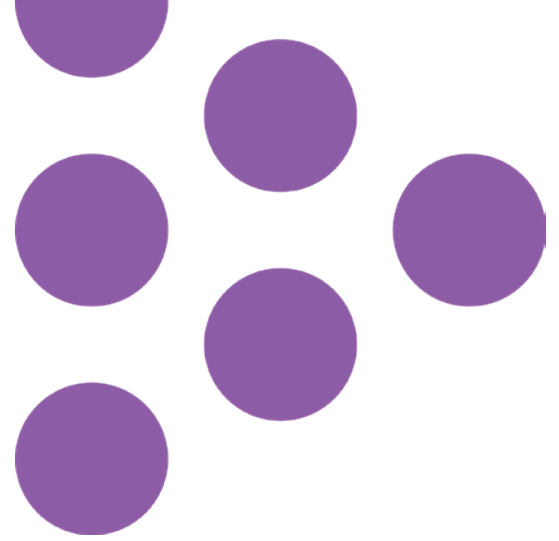
- the strategic report and the directors' report included within the Report of the Board of Trustees have been prepared in accordance with applicable legal requirements.

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

17 November 2024

Consolidated statement of financial activities

(including income and expenditure account and statement of recognised gains and losses) for the year ended 31 March 2024

	Note	2023-24 £'000	2022-23 £'000
Income from:			
Charitable activities	4(a)	21,347	20,941
Investments	4(b)	439	448
Other	4(c)	7	7
Total income		21,793	21,396
Expenditure on:			
Investment Management		(87)	(89)
Charitable activities	5	(24,892)	(24,240)
Mortgage Interest		(44)	(67)
Net interest and admin expenses on defined pension liability	17(d)	(184)	(536)
Total expenditure		(25,207)	(24,932)
Net expenditure before gains on investments		(3,414)	(3,536)
Net gains / (losses) on investments	12	1,288	(1,398)
Net expenditure		(2,126)	(4,934)
Other recognised gains			
Actuarial gains on defined benefit pension schemes	17(g)	2,938	16,229
Net movement in funds		812	11,295
Reconciliation of funds:			
Total funds brought forward		24,306	13,011
Total funds carried forward		25,118	24,306

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 2024

	Note	Group		Company	
		2024	2023	2024	2023
		£'000	£'000	£'000	£'000
Fixed Assets:					
Intangible Assets	11	-	-	-	-
Tangible Assets	11	5,137	5,344	5,137	5,344
Investments	12	18,322	19,872	18,322	19,872
Total Fixed Assets		23,459	25,216	23,459	25,216
Current Assets:					
Stocks: finished goods		461	498	461	498
Debtors	14	3,455	3,167	3,455	3,167
Cash at bank and in hand		2,737	4,617	2,736	4,616
Total Current Assets		6,653	8,282	6,652	8,281
Liabilities:					
Creditors: Amounts falling due within one year	15	(3,152)	(3,531)	(3,159)	(3,538)
Net current assets		3,501	4,751	3,493	4,743
Total assets less current liabilities		26,960	29,967	26,952	29,959
Creditors: Amounts falling due after more than one year	15	(1,830)	(2,370)	(1,830)	(2,370)
Net assets excluding pension liability		25,130	27,597	25,122	27,589
Defined benefit pension scheme liability	17(c)	(12)	(3,291)	(12)	(3,291)
Total net assets		25,118	24,306	25,110	24,298
The funds of the charity: Unrestricted					
Designated Funds	18	5,137	5,344	5,137	5,344
Free Reserves	18	19,993	22,253	19,985	22,245
Pension reserve	18	(12)	(3,291)	(12)	(3,291)
Total unrestricted and charity funds		25,118	24,306	25,110	24,298

The financial statements on pages 31 to 56 were approved and authorised for issue by the Board of Directors on 6 November 2024 and signed on its behalf by



J L Cocking, MBE
Chair
Company number 00900899

Consolidated statement of cash flows

for the year ended 31 March 2024

	Note	2023-24 £'000	2022-23 £'000
Cash flows from operating activities	19(a)	(4,459)	(2,970)
Cash flows from investing activities			
Dividends from investments, interest and rents		445	457
Purchase of fixed assets		(155)	(125)
Proceeds from sale of investments		5,261	24,145
Purchase of investments		(2,402)	(22,390)
Movement in cash held for investment		(21)	1,702
Net cash provided by investing activities		3,128	3,789
Cash flows from financing activities			
Repayments of borrowing		(516)	(476)
Net cash used in financing activities		(516)	(476)
Change in cash and cash equivalents in the reporting period		(1,847)	343
Cash and cash equivalents at the beginning of the reporting period		4,617	4,254
Effect of foreign exchange rate changes on cash and cash equivalents		(33)	20
Cash and cash equivalents at the end of the reporting period	19(b)	2,737	4,617

Notes to the financial statements

for the year ended 31 March 2024

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 the challenging environment, 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. Furthermore, effective 16 September 2024, NFER has in place a loan facility with Barclays Bank Plc enabling it to borrow up to £2 million to cover any short-term working capital requirements.

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.

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) Charitable activities

	2024	2023
	£'000	£'000
Research	14,563	14,137
Educational Resources	6,784	6,804
	21,347	20,941

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.

b) Investment income

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.

	2024	2023
	£'000	£'000
From listed investments	397	435
Interest on cash deposits	42	13
	439	448

c) 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 years. 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 2024

	Direct salaries	Direct costs	Support costs	2024 Total
	£'000	£'000	£'000	£'000
Research	8,553	3,370	3,973	15,896
Educational resources	1,137	2,197	1,111	4,445
Educational resource development	2,279	1,135	1,137	4,551
Total	11,969	6,702	6,221	24,892

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

6. Support Costs

	2024	2023
	£'000	£'000
Salary and pension costs	3,592	3,898
Recruitment and other staff costs	593	656
Property and office costs	1,115	931
Consultancy	249	253
Marketing	65	131
Depreciation	362	345
Amortisation	-	20
Exchange losses/(gains)*	101	(43)
Governance (see Note 7)	144	186
	6,221	6,377

*Including transactional gains and losses

7. Governance costs

	2024	2023
	£'000	£'000
Audit and legal fees	80	121
Insurance	64	65
	144	186

8. Net expenditure before gains / (losses) on investments

Net expenditure before gains / (losses) on investments is stated after charging:

	2024	2023
	£'000	£'000
Auditor's remuneration (incl. VAT)		
- as auditors	40	38
- for other services	3	4
Depreciation and amortisation	362	365
Operating lease rentals – land and buildings and other assets	46	37

9. Employees

Staff costs during the year:

	2024	2023
	£'000	£'000
Wages and salaries	13,214	12,756
Social security costs	1,196	1,224
Pension costs	1,151	1,085
	15,561	15,065

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

	2024		2023	
	FTE	Head count	FTE	Head count
Permanent staff	233	248	232	249
Temporary staff	42	160	49	237
	275	408	281	486
Research staff	182	265	195	354
Other staff	93	143	86	132
	275	408	281	486

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 (2023: six) members of the Senior Management Team received total remuneration of £792k (2023: £820k) comprising both annual salary and pension contributions. The following number of employees earned £60,000 per annum or more:

	2024	2023
	Number	Number
£60,001-£70,000	15	17
£70,001- £80,000	12	12
£80,001- £90,000	3	1
£90,001-£100,000	1	3
£100,001-£110,000	3	3
£110,001- £120,000	1	1
£140,001- £150,000	-	1
£150,001-£160,000	1	-

The number of higher paid staff to whom retirement benefits are paid into defined contribution pension schemes was 34 (2023: 36). The total contribution in respect of these employees was £261,767 (2023: £270,803).

The charity made redundancy payments of £59,584 during the year (2023: £15,928).

10. Members of the Board

Seven trustees received expenses of £2,467 in total for travel and subsistence costs (2023: £1,040 (5 trustees)).

During the year insurance costing £11,688 (2023: £11,209) 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 2023	167
Disposals in year	(167)

31 March 2024

Amortisation

1 April 2023	167
Disposals in year	(167)

31 March 2024

Net book value

31 March 2024	-
1 April 2023	-

Tangible Fixed Assets Group & Company

Land	Freehold property	IT equipment	Other equipment	Total
£'000	£'000	£'000	£'000	£'000

Cost

1 April 2023	700	7,612	1,289	556	10,157
Additions in year	-	-	28	127	155
31 March 2024	700	7,612	1,317	683	10,312

Depreciation and Impairment

1 April 2023	-	3,355	1,052	406	4,813
Charge for year	-	153	115	94	362
31 March 2024	-	3,508	1,167	500	5,175

Net book value

31 March 2024	700	4,104	150	183	5,137
1 April 2023	700	4,257	237	150	5,344

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

	2024	2023
	£'000	£'000
Listed Investments		
Market value at 1 April 2023	19,774	22,927
Less: Disposals at net book value	(5,261)	(24,145)
Add: Acquisitions at cost	2,402	22,390
Net gain / (loss) on revaluation at 31 March 2024	1,288	(1,398)
Market value at 31 March 2024	18,203	19,774
Cash allocated for investment	119	98
Total Investments at 31 March 2024	18,322	19,872

Investments can be analysed as follows:

UK Investments (including cash)	6,862	8,314
Non-UK Investments	11,460	11,558
	18,322	19,872

Total investment income for the year amounted to £397k. Of this sum, £245k was derived from investments held in the UK and £151k derived from non-UK investments.

The historic cost of listed investments is £16.5m (2023: £19.6m).

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 (2023: £7,730 surplus). NFER Trading Limited's Balance sheet:

	2024	2023
	£'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	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade debtors	1,271	1,610	1,271	1,610
Other debtors	36	2	36	2
Prepayments	408	459	408	459
Amounts recoverable on contracts	1,740	1,096	1,740	1,096
	3,455	3,167	3,455	3,167

Trade debtors are stated after provisions for impairment of £18k (2023: £50k).

15. Creditors

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<i>Amounts falling due within one year:</i>				
Mortgage loan	440	416	440	416
CBILS loans	100	100	100	100
Provision for pensions	158	153	158	153
Trade creditors	170	327	170	327
Other taxation and social security	372	377	372	377
Deferred income and payments on account	883	964	883	964
Accruals	1,029	1,194	1,029	1,194
Subsidiary undertakings	-	-	7	7
	3,152	3,531	3,159	3,538
<i>Amounts falling due after more than 1 year:</i>				
Mortgage loan	114	553	114	553
CBILS loans	1,716	1,817	1,716	1,817
	1,830	2,370	1,830	2,370

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 2024 was 6.7% (2023: 11.7%).

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.

	2024	2023
	£'000	£'000
Within one year	440	416
Between two and five years	114	553
Total	554	969

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.

	2024	2023
	£'000	£'000
Within one year	100	100
Between two and five years	1,716	1,817
Total	1,816	1,917

16. Financial commitments

As at 31 March 2024, financial commitments under non-cancellable operating leases will

result in the following payments falling due as follows:

	2024	2024	2023	2023
	Land and Buildings	Other	Land and Buildings	Other
Group and Company	£'000	£'000	£'000	£'000
Within one year	2	8	2	12
Between two to five years	-	13	-	15
	2	21	2	27

17. Pension benefits

As at 31 March 2024, 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 was wound up in February 2024. NFER's employer pension contribution for year ended 31.03.24 was £1,080k (2023: £1,020k). At year end, £89k was due to Standard Life (2023: £89k).
- Teachers' Pension Scheme administered by Teachers' Pensions on behalf of the Department for Education. NFER's employer pension contribution for year ended 31.03.24 was £55k (2023: £50k). At year end, £5k was due to Teachers' Pensions (2023: £4k).
- 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 employer pension contribution for year ended 31.03.24 was £12k (2023: £15k). At year end, £1k was due to Teachers' Pensions (2023: £1k).

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% (28.6% from 1 April 2024) 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 2024 there were 4 (2023:4) 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 2024 there were 2 permanent and 283 temporary (2023: 2 permanent and 250 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 17.22 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 2024 as set out below.

a) Assumptions:

i) Demographic

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

	Retiring today (March 2024)	Retiring in 20 years (March 2043)
	Years	Years
Males	20.8	22.0
Females	24.3	25.7

ii) Financial

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

	At 31 March 2024	At 31 March 2023
Price increases (CPI)	2.9%	2.9%
Rate of increase in salaries	3.9%	3.9%
Rate of increase in pensions	2.9%	2.9%
Discount rate	4.9%	4.8%

b) Assets in the scheme:

	Value at 31 March 2024	Value at 31 March 2023
	£'000	£'000
Equities	20,480	20,725
Property	2,133	1,972
Gilts	3,771	3,114
Other Bonds	4,697	3,982
Cash	547	703
Alternative Assets	3,208	2,523
Multi Assets	3,728	3,488
Private Debt	1,179	739
Total	39,743	37,246

c) Net pension liability:

	As at 31 March 2024	As at 31 March 2023
	£'000	£'000
Present value of funded obligations	39,607	40,522
Fair value of scheme assets (bid value)	(39,743)	(37,246)
Net (surplus) / liability	(136)	3,276
Present value of unfunded obligation	12	15
Impact of asset ceiling	136	-
Net Liability in Balance Sheet	12	3,291

d) Statement of financial activities costs for the year:

The amounts recognised in the statement of financial activities are:	Year to 31 March 2024	Year to 31 March 2023
	£'000	£'000
Net interest on the defined liability	146	500
Administration expenses	38	36
Total	184	536
Actual return on scheme assets	3,856	(2,218)

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

	Year to 31 March 2024	Year to 31 March 2023
	£'000	£'000
Opening defined benefit obligation	40,537	60,099
Interest cost	1,902	1,542
Experience loss on defined liability obligation	140	2,620
Change in financial assumptions	(556)	(20,177)
Change in demographic assumptions	(558)	(1,932)
Estimated benefits paid net of transfers in	(1,842)	(1,612)
Unfunded pension payments	(4)	(3)
Closing defined benefit obligation	39,619	40,537

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

	Year to 31 March 2024	Year to 31 March 2023
	£'000	£'000
Opening fair value of scheme assets	37,246	40,639
Interest on assets	1,756	1,042
Return on assets less interest	2,100	(3,401)
Other actuarial gains	-	141
Administration expenses	(38)	(36)
Contributions by employer including unfunded benefits	525	476
Estimated benefits paid net of transfers in and including unfunded benefits	(1,846)	(1,615)
Fair value of scheme assets at end of period	39,743	37,246

g) Reconciliation of opening and closing deficit:

	Year to 31 March 2024	Year to 31 March 2023
	£'000	£'000
Deficit at beginning of the year	(3,291)	(19,460)
Net interest on defined liability and administration expenses	(184)	(536)
Contributions by employer	521	473
Unfunded pension payments	4	3
Actuarial gains	2,938	16,229
Deficit at end of the year	(12)	(3,291)

18a. Statement of movement in Reserve Funds: 1 April 2023 to 31 March 2024

Group	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL 2024
Unrestricted funds	£'000	£'000	£'000	£'000
Balance brought forward at 1 April 2023	5,344	(3,291)	22,253	24,306
Net movement in resources	(207)	3,279	(2,260)	812
Balance carried forward at 31 March 2024	5,137	(12)	19,993	25,118
Represented by:				
Fixed assets	5,137	-	18,322	23,459
Current assets	-	-	6,653	6,653
Creditors falling due within one year	-	-	(3,152)	(3,152)
Creditors falling due after one year	-	-	(1,830)	(1,830)
Defined benefit pension liability	-	(12)	-	(12)
	5,137	(12)	19,993	25,118

18a. Statement of movement in Reserve Funds: 1 April 2023 to 31 March 2024 (continued)

Company	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL 2024
Unrestricted funds	£'000	£'000	£'000	£'000
Funds				
Balance brought forward at 1 April 2023	5,344	(3,291)	22,245	24,298
Net movement in resources	(207)	3,279	(2,260)	812
Balance carried forward at 31 March 2024	5,137	(12)	19,985	25,110
Represented by:				
Fixed assets	5,137	-	18,322	23,459
Current assets	-	-	6,652	6,652
Creditors falling due within one year	-	-	(3,159)	(3,159)
Creditors falling due after one year	-	-	(1,830)	(1,830)
Defined benefit pension liability	-	(12)	-	(12)
	5,137	(12)	19,985	25,110

18b. 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	(4,364)	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	25,126
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

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

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

18. Statement of movement in Reserve Funds: 1 April 2023 to 31 March 2024 (continued)

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 2023-24 amounts to £4.6m and £9.2m. The current level of net free reserves less

the pension reserve (see below) stands at £20m (2023: £19m). 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, at this time, to make changes to NFER's reserves policy or the current level of reserves.

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

	2024	2023
	£'000	£'000
Net deficit for the reporting period (as per the statement of financial activities)	(2,126)	(4,934)
Adjustments for:		
Depreciation and amortisation charges	362	365
(Gains) / losses on investments	(1,288)	1,398
Dividends from investments, interest and rents	(445)	(457)
Defined benefit pension scheme cost	184	536
Payments towards pension deficit	(525)	(476)
Decrease / (increase) in stocks	36	(12)
(Increase) / decrease in debtors	(288)	839
Decrease in creditors	(402)	(209)
Unrealised foreign exchange loss / (gain)	33	(20)
Net cash used by operating activities	(4,459)	(2,970)

b) Analysis of Cash and Cash Equivalents

	2024	2023
	£'000	£'000
Cash in hand and at bank	2,736	4,607
Notice deposits (less than 5 months, 2023: less than 5 months)	1	10
Total cash and cash equivalents	2,737	4,617

c) Reconciliation to net funds

	2024	2023
	£'000	£'000
Net funds at 1 April 2023 (Note 19(d))	1,731	892
(Decrease) / increase in cash during the year	(1,847)	343
Cash inflow from reduction of debt	516	476
Effect of exchange rate changes on cash held in other currencies	(33)	20
Net funds at 31 March 2024 (Note 19(d))	367	1,731

d) Analysis of net funds

	As at 1 April 2023	Cash flows	Transfers	As at 31 March 2024
	£'000	£'000	£'000	£'000
Cash at bank	4,617	(1,880)		2,737
Debt – due within one year	(516)	516	(540)	(540)
Debt – due after more than one year	(2,370)	-	540	(1,830)
	1,731	(1,364)	-	367

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

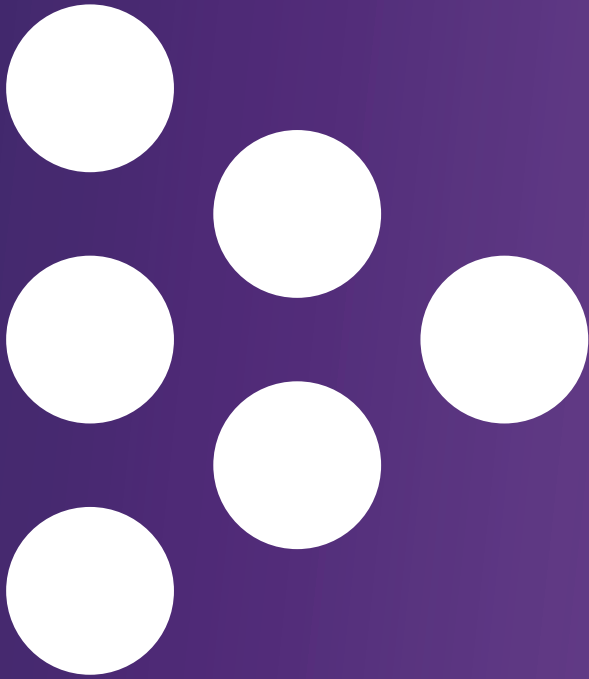
2024 was a net movement in funds of £812k after actuarial gains on the defined benefit pension scheme of £2,938k (2023: net movement in funds of £11,295k after actuarial gains of £16,229k).

21. Related party transactions

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

	2024	2023
	£'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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