

2019





## **Contents**

<b>Officers and members of the Board of Trustees</b>	<b>3</b>
<b>Members of the Foundation</b>	<b>4</b>
<b>Administrative details</b>	<b>5</b>
<b>Report of the Board of Trustees</b>	<b>6</b>
<b>Statement of the Trustees' responsibilities</b>	<b>15</b>
<b>Independent auditor's report</b>	<b>16</b>
<b>Consolidated statement of financial activities</b>	<b>18</b>
<b>Group and Company balance sheet</b>	<b>19</b>
<b>Consolidated statement of cash flows</b>	<b>20</b>
<b>Notes to the financial statements</b>	<b>21</b>

---



# Officers and members of the Board of Trustees

<b>President</b>	Sir Jim Rose, CBE, FRSA
<b>Vice President</b>	Ms A J Shaw, MA (Hons)
<b>Board of Trustees</b>	
<b>Chair</b>	Ms J L Cocking, BA (Hons) (1) (2) (3)
<b>Treasurer</b>	Mr N Hollister, MA (Hons), Cantab (1) (3)
<b>Trustees</b>	Mr I Bauckham, CBE, MA (Hons) Cantab, MA Ms F Capstick, MBA ( <i>appointed 13 August 2018</i> ) Professor M Day, BSc (Hons), PGCE, PhD Ms S Douglas, BA (QTS) Hons (1) Ms H Ghantiwala, BA (Hons), MA, Solicitor (2) Mr N Hillman, BA (Hons), PGCE, MA Mr M Keen, MA (Hons) Oxon, FCA, (1) (2) (3) (4)  Mr S Macdonald, BA (Hons), Solicitor (1) (3) (4) Mr D Madoc-Jones, BA (Hons) ( <i>appointed 27 July 2018</i> ) (2) Mr C Ryan, BA (Hons), MA
<b>Membership of committees</b>	(1) Remuneration Committee (2) Audit Committee (3) Nominations Committee (4) Investment Committee

# Members of the Foundation

## All serving Trustees listed above

## All local authorities in England and Wales

Local authority associations and committees

Local Government Association

Welsh Local Government Association

WJEC

## National Associations of Teachers

Association of School and College Leaders

National Association of Head Teachers

## Universities, university colleges and university institutions

University of Chester

UCL Institute of Education

The University of Manchester

## Other educational bodies

Assessment and Qualifications Alliance

Association for Science Education

Cambridge Assessment

Children's Education Advisory Service

Prospect

## Individual Members

Hon. Life members

Mr J A Barnes, CBE MA Med FCP CIPD Hon FCGI

Sir Jim Rose, CBE FRSA (also NFER President)

Prof. M Skilbeck, MA PhD

Dr S Hegarty

Mrs S Rossiter

## Administrative details for the year ended 31 March 2019

<b>Charity name</b>	National Foundation for Educational Research in England and Wales
<b>Charity number</b>	313392
<b>Company number</b>	00900899
<b>Principal and registered office</b>	The Mere, Upton Park, Slough, Berkshire SL1 2DQ
<b>Auditor</b>	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG
<b>Bankers</b>	National Westminster Bank plc, c/o Royal Bank of Scotland plc, (as agents) Corporate Banking, 3 <sup>rd</sup> Floor, Cavell House, Charing Cross Road, London WC2H 0NN
<b>Solicitors</b>	Bates Wells London LLP 10 Queen Street Place, London EC4R 1BE
<b>Investment managers</b>	Investec Wealth and Investment Ltd, 2 Gresham Street, London EC2V 7QP  Smith & Williamson Investment Management LLP, 25 Moorgate, London EC2R 6AY

### 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 3 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 during the year comprised:

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

Ms M Charles BSc, PGCE (Director, Research and Product Operations) (resigned 5 July 2019)

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

Ms H Selden, BSc (Hons) (Interim Director, Research and Product Operations, from 24 June 2019)

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

Mr R Birkett MA, (Hons), ACA (Commercial Director)

**Company Secretary:** Mr R Birkett

# Report of the Board of Trustees

## for the year ended 31 March 2019

The Board presents this annual Trustees' report and the audited accounts for the year ended 31 March 2019 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.

### 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 2017. It is also a charity registered with the Charity Commission for England and Wales (the Charity Commission).

Our members comprise all Local Authorities in England and Wales with responsibility for children's services, other educational establishments, teaching professional bodies and some individual members, including the Trustees. There is an ongoing governance review that is due to report later in 2019/20.

### Objectives and activities

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
- 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 the quality of education.

NFER is a leading independent provider of research, assessments and related services for education, training and children's services. Our clients include government departments 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.

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 in 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 and the Trustees are satisfied that the work carried out by the charity complies with the public benefit requirements set out by the Commission.

## Structure, governance and management

### Appointment of Trustees

As set out in the Articles of Association, all Trustees are elected by the membership at the Annual General Meeting. The Trustees have the power to co-opt additional individuals to fill any vacancies between Annual General Meetings. All co-opted members must submit to election at their first AGM. 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 nominated or elected 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 run specific areas, namely investments, audit, remuneration and nominations. Working groups are also established to enable Trustees to engage with specific business matters.

### Related parties

NFER has three wholly owned subsidiaries. The first, NFER Trading Limited, Company Number 03954591, was formed in 2000 with its prime role to deliver certain commercial contracts. The other two, i-nfer Assessment Limited, Company Number 05946075, (incorporated in 2006) and Futurelab Education Limited Company Number 04262609, (both acquired by the Group in 2012) remained dormant throughout the financial year.

## The strategic report

### Highlights of our progress this year

This last year has been a very positive one for NFER, as our influence on education policy and practice has grown. Our research and analysis has informed policy makers and school leaders on some of the key challenges faced by the education sector, both in the UK and internationally. Some highlights are included below.

- We have worked on more than 150 projects this year, providing a wide range of expertise to a growing number of clients, including education policy makers, practitioners and other influential organisations. By informing their decision-making using robust evidence, we have made a significant contribution to the education of children and young people.
- Our expert knowledge in assessment led us to develop and trial a new child-friendly reception baseline assessment (RBA) for the Department for Education (DfE). Based firmly on evidence, the RBA will improve the way that progress is measured in primary schools.
- With the publication of the Nuffield funded report *Teacher Workforce Dynamics in England* in October 2018, NFER has established itself as a leading voice in school workforce research, influencing the direction of government policy and school practice.
- Our work this year managing several international surveys and carrying out research work in other countries, for example, on developing measures of non-cognitive skills for schoolchildren in the Middle East and North Africa, is helping to increase our impact on education internationally. In the last year we have worked on projects in Ethiopia, Kenya, Mozambique, Rwanda and Uganda.
- Our income for the year increased by 17%, reflecting the value clients place on our robust and independent work. This income helps us to invest in our own education research and to extend our range of resources to support schools, school leaders and teachers.
- We have increased our visibility, particularly around our eight key topics of research, with a 40% increase in media coverage and a 32% increase in our Twitter followers. Extending the reach of our work to a wider audience has helped to increase its use and impact.
- We launched our new branding and website, signalling a fresh and more contemporary approach for NFER, and making it easier for stakeholders to engage actively with our influential reports and the insights they provide

According to our stakeholder survey conducted in 2019, NFER continues to be widely recognised as a leading provider of independent education research with significant influence on policy and practice.

### Achievements and performance 2018–19

In last year's strategic report, we said that we would continue to focus on promoting the effective use of robust evidence to inform education policy and practice. To this end, we said we would commission more of our own research on key education issues, explore opportunities to support education systems in other countries and raise the profile of research that we believed was valuable. Listed below are some of the main outputs of our work during the year.

#### Influencing policy

NFER has consistently called for greater attention to be given to teacher retention and not just teacher recruitment, to ensure we have enough teachers in our classrooms as pupil numbers increase. This year NFER published its first annual report on the state of the teacher workforce, setting out the key indicators of the teacher labour market and teachers' working conditions in England. We added to our portfolio of work with the publication of our Nuffield Foundation-funded *Teacher Workforce Dynamics in England* report. This research, along with some of our earlier work, including research on Early Career professional development, directly influenced the DfE's Teacher Recruitment and Retention strategy published in January 2019. The findings of our report, *Teacher Supply, Retention and Mobility in London*, are being built on by London mayor, Sadiq Khan.

Publication of our report *What Impact Does Accountability Have on Curriculum, Standards and Engagement in Education?* put us at the heart of this important policy discussion by identifying and evaluating research evidence on the impact of different types of accountability systems around the world. Our expertise was reflected in NFER being invited to sit on the NAHT's Accountability

Commission and informed the discussions and its report, *Improving School Accountability*. This has informed thinking at DfE and Ofsted about the future of accountability.

Improving the way progress in primary schools is measured has been at the forefront of recent policy developments. A new reception baseline assessment is being introduced in England in autumn 2020 which will, in due course, support the creation of a new school-level measure showing the progress pupils make from reception until the end of Key Stage 2. Our assessment teams have developed and trialled this assessment and will be delivering the first two years of the final statutory assessment in every state primary school in England. In secondary schools we delivered the second National Reference Test (NRT) providing evidence of whether standards in GCSE English language and mathematics are changing. Over time, the NRT has the potential to provide examination boards with a valuable additional source of information to inform the awarding of GCSEs. NFER developed and delivered the NRT for Ofqual.

The removal of national curriculum levels in 2014 was designed to complement the introduction of a revised, more challenging curriculum. The NFER *Assessment without levels: qualitative research* for the DfE informed policy makers and schools on the range of assessment approaches now being used in English primary and secondary schools.

Our research teams also supported education systems in other countries. For example, in Kenya our research improved understanding of the impact of government reforms designed to tackle teacher absenteeism. In Mozambique, Save the Children adapted their Department for International Development (DFID) funded Girls' Education Challenge project 'Successful Transition and Advancement of Rights for Girls' in light of our recommendations from a programme evaluation. We produced a series of briefing papers to provide valuable insights from international large-scale assessments that inform understanding of education systems.

### **Influencing practice**

Schools are key partners for us in a range of activities from participation in our research to supporting the development of our educational resources. It is this collaboration which enables us to increase the impact we have on education at the classroom, school and system level.

Our educational resources have continued to be popular with schools and teachers. Key developments this year have included additions to our range of standardised assessments for Key Stages 1 and 2. These assessments enable thousands of schools using NFER tests to monitor attainment and progress across the primary phase robustly and independently. The schools have also benefited from our new free NFER Tests Online Analysis Tool which helps them to get the most from their assessment data. Our newly launched Assessment Hub, a free online resource, offers support to schools and teachers with practical guides and webinars on effective classroom assessment. We continue to work to make our research reports more accessible to practitioners with a series of easy-to-read features in the education media written by our experts.

Work on evaluating education initiatives has continued with our Education Trials Unit undertaking a range of high-quality impact evaluations of schools and classroom-based interventions, including working closely with the Education Endowment Foundation (EEF). 2019 marks the centenary of the first Randomised Controlled Trial (RCT) used in an educational setting so we are celebrating this anniversary with a special event: *Celebrating 100 years of RCTs in education* at the Royal Statistical Society.

We carried out a place-based evaluation of the Opportunity Areas programme which is at the heart of the government's policy to increase social mobility and completed the first of a four-year evaluation of the DfE's Teaching and Leadership Innovation Fund (TLIF). Working in partnership with Sheffield Hallam University, we are evaluating eight of the ten Continuing Professional Development (CPD) projects funded by TLIF, which support professional development for teachers and school leaders in areas of England with challenging circumstances. We are evaluating a ninth project for EEF.

NFER has a long history of delivering international large-scale assessments that provide global insights to improve education. Our projects this year included delivery of Programme for International Student Assessment (PISA) 2018 and the first international research study that provides an opportunity to improve understanding of the role of children's early experiences on their development and well-being – the new Organisation for Economic Cooperation and Development (OECD) International Early Learning and Child Well-being Study (IELS). The results of this study will be published in spring 2020.

Teachers in Northern Ireland not only learned from the valuable comparative information provided by our work on Trends in International Mathematics and Science Study (TIMSS) Northern Ireland (NI) 2015 but also benefitted from a series of lesson plans created for them by NFER this year. The design of these plans was informed by the performance of the Year 6 primary school pupils participating in the TIMSS 2015 science assessments.

### **Looking ahead to 2019–20 and beyond**

We will continue to develop and deliver the next steps in our strategy to ensure robust evidence and insights are used to improve education policy and practice.

In 2019–20 we will have a particular focus on:

- ensuring the results of our work are increasingly used to improve education – building our stakeholder networks and opportunities to influence key decision makers, expanding the reach of our research findings and ensuring NFER continues to be regarded as a key source of robust, independent, research and expertise
- spearheading assessment development and research, and expanding our range of high quality, research based, educational resources and support for practitioners
- diversifying our client base and exploring opportunities to use our experience and skills to support education systems in other countries
- building our expertise in a number of key education topics to ensure our work is driven by the challenges facing education systems.

We will continue to work to increase the quality, security and value of what we do for clients, focusing on what our clients, and the users of our research and expertise, require. This will include continuing to strengthen our Quality Assurance methods; building on our successful certification of International Organisation for Standardisation (ISO) 27001, the international standard for information security management; and compliance with the General Data Protection Regulation (GDPR) and The Data Protection Act 2018.

We will continue to invest in providing a positive and motivational environment for our employees. This will include providing opportunities for learning and development to enable staff to achieve the organisation's business goals. We will communicate regularly on the company's progress through staff briefings, newsletters and our intranet. We will also listen carefully to our staff through staff surveys, which provide feedback on staff engagement and satisfaction with their working life to enable us to identify areas for improvement.

### **Future developments**

The Trustees remain positive about the organisation's position and progress. NFER will continue to undertake activities that serve the field of education through research, analysis and active use of the findings to inform policy and practice, and through optimising the range of educational resources that it offers to schools.

### **Risk management**

The Trustees conduct an annual risk management exercise to identify all the 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 these risks are summarised below.

- Challenges in attracting and retaining high quality staff with the right skills to deliver our robust research and resources. We are enhancing our staffing model by expanding our use of associates, continuing to sponsor our apprenticeship programme and developing new ways to recruit and retain high quality staff.

- Future potential challenges in securing sufficient income in order to continue to meet our charitable aims, providing insights that make a positive difference to education policy and practice. We are strengthening our position by continuing to innovate, by developing our methodologies, investing in our infrastructure and capabilities and by diversifying our client base.
- The need to maintain and protect NFER's reputation by increasing investment in our communications activity, clearly articulating the robust basis for our research and assessments, demonstrating how all our work supports improved outcomes for children and young people, and challenging any misinformation about our work.
- Ensuring that the security of our information continues to be maintained by safeguarding the integrity of our systems through careful management of information security risks in line with our ISO27001 certification and through investing in business resilience and continuity.

The ongoing negotiations regarding the departure of the UK from the European Union and the uncertainties surrounding their possible outcome is creating uncertainty for many organisations. We are monitoring the situation carefully and mitigating the risks by continuing to invest in the development of the business – in the UK and internationally – and ensuring that we are able to recruit and retain high quality staff from other countries through the use of a Home Office Sponsorship Licence.

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, a wide spread of investments and a policy to hold a proportion of the assets in bonds and property funds that are not as exposed to downside risk as equities
- a 20-year bank mortgage (six years remaining at 31 March 2019), in which upward interest rate risk has been eliminated by fixing the rate of interest throughout the term.

## Buckinghamshire County Council Pension Fund (BCCPF)

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 regular 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 BCCPF will agree on how to settle the outstanding amount.

## Qualifying indemnity insurance

The charitable company has granted an indemnity 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 has increased its overall level of income this year by 15%, generating total revenues of £20.4m for the year (2017–18: £17.7m). Income from research increased to £14.2m (2017–18: £12.1m) whereas income from sales of our educational resources increased to £5.5m (2017–18: £5.0m). A net surplus on charitable activities of £1.7m was achieved, compared to a net surplus on charitable activities of £0.8m last year.

The investment portfolio has generated a steady level of dividend and interest income at £621k, (2017–18: £607k). The value of the portfolio at 31 March 2019 has increased to £21.8m (2018: £20.9m) having experienced considerable market fluctuations during the course of the year.

Interest costs incurred on the mortgage decrease as the capital amount of the loan reduces; this year it was £148k compared to £165k last year. In addition, in accordance with the requirements of FRS102, an interest charge on the pension deficit has been calculated at £605k. The equivalent figure for the prior year was £689k.

Overall, the organisation generated a total net surplus for the year of £2,471k as compared to £544k in 2017–18. This reflects an increase in the surplus on our charitable activities together with the gain in value of our investments. In 2017–18 NFER experienced a surplus on charitable activities, combined with a minimal increase in the value of the investment portfolio.

The FRS102 actuarial gains reported for this year amount to £2.1m (2017–18 of £2.0m). The result of this actuarial gain is a decrease in the net pension deficit from £22.8m in 2018 to £20.8m at the year end. The overall net movement of funds for the year, after these actuarial gains, amounted to £4.6m, which gives NFER total reserves of £12.6m at the end of the year, compared to £8.0m at the end of last year.

The charity's only active subsidiary, NFER Trading Limited, made an operating loss of £472k (2017–18: profit £1k) and will not remit any Gift Aid this year (2017–18: profit remitted of £1k). A letter of support has been issued by the charity to NFER Trading Limited. The revenue of £1,113k (2017–18: £421k) has increased as a result of the signing of several new contracts in the name of NFER Trading Limited.

## 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 £2.3m to £4.6m 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 2019, NFER's total group reserves stood at £12.7m (2018: £8.0m). This is composed of:

Designated fixed assets reserve	£5.9m	See Note 11
Pension reserve	(£20.8m)	Actuarial valuation of pension deficit
Unrestricted reserves	£27.6m	To allow the charity to manage challenges and opportunities
Total reserves	£12.7m	

The Trustees' strategy in future years is to manage the free reserves of the charity, which currently stand at approximately £6.8m, to achieve a value within the target range, taking into account the expected value of the pension settlement.

## Investment policy

NFER's policy on investments is to maximise the total return on investments commensurate with achieving a specified level of income (which will be reviewed annually by NFER and agreed with its principal investment managers) and maintaining the capital value of the investments in real terms over the long term (any period of five years). Investments are not permitted in negotiable instruments known as derivatives or in companies whose principal businesses include tobacco, gambling or pornography.

The performance of the assets managed by the principal fund managers (Investec and Smith & Williamson) is measured against a Total Return (capital and income) benchmark over the medium term, based on the RPI index plus 4.25%. The benchmark will be reviewed periodically.

Each of the investment managers has the same minimum and maximum asset class parameters so that, overall, exposure to different assets will be within acceptable boundaries, thereby mitigating risk.

The current planning ranges, which will be subject to annual review, are:

<b>UK and Overseas equities</b>	30–80%
<b>Bonds including Indexed Linked bonds</b>	12–60% including cash (a max of 50% in Government bonds)
<b>Cash</b>	Included in bonds above
<b>Hedge Funds</b>	0–10%
<b>Property</b>	0–10%
<b>Other</b>	0–5%

In the year, investment capital increased to £21.8m (2017–18: maintained at £20.9m) and the investments met the objective of exceeding RPI plus 4.25%, as set out above.

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 on an annual basis with a detailed review every two years. The Investment Committee meets twice yearly to monitor and evaluate performance of the investments and the investment managers.

## Pension schemes

During the year, the NFER participated in two pension schemes: its own defined contribution pension scheme independently run by Pan Trustees Ltd (FRSP) and the Teachers' Pension Scheme (TPS), administered by Teachers' Pensions (TP) on behalf of the Department for Education (DfE).

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 County Council Pension Fund (BCCPF) ceased on 30 June 2011. The BCCPF is accounted for as a defined benefit fund under Financial Reporting Standard 102 and was replaced with the NFER's own defined contribution pension scheme.

NFER and BCCPF 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 19 years of the agreement now form part of the company's annual and long-term planning and budgeting processes.

## Equal opportunities and remuneration policies

Our staff are crucial to our success and we want to attract and retain the brightest and most talented employees, in line with our equality, diversity and inclusion policy. 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 our activities. 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 our 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 2018 gender pay gap report indicates for the second year running that the difference in pay between men and women is negligible, markedly different from the national picture. These figures, calculated using the 2017 Regulations and the Equality Act 2010, showed that the median pay gap calculated as at 5 April 2018 was 0.0% (2017: +3.0% in favour of males) compared to the national average as at that date of +17.9% in favour of males (2017: +18.4%). The mean average for NFER at

the same date was -0.1% in favour of females (2017: -4.0% in favour of females). The figures suggest that gender pay is neutral at NFER whereas the national pay gap remains consistently high in favour of males.

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

Staff value their employment at NFER because of the respect held for the organisation's work in the field of education. 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 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 Federated Retirement Savings Plan (FRSP) – NFER Section Pension Scheme 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 appointed Haysmacintyre LLP as auditors of the Charity and the Group during 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
- state whether a SORP applies and has been followed, subject to any material departures which are 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.

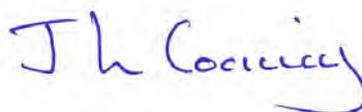
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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:



The Mere  
Upton Park  
Slough  
Berks  
SL1 2DQ

J L Cocking  
Chair

23 October 2019

# **Independent auditor's report to the Members of the National Foundation for Educational Research in England and Wales (Company number 00900899)**

## **Opinion**

We have audited the financial statements of National Foundation for Educational Research in England and Wales for the year ended 31 March 2019 which comprise Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement 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 2019 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**

As explained more fully in the Trustees' responsibilities statement set out on page 15, 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.

## **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the 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.

## **Opinion 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.

## **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  
Date: 29/10/19

10 Queen Street Place  
London  
EC4R 1AG

# Consolidated statement of financial activities

(including income and expenditure account and statement of recognised gains and losses) for the year ended 31 March 2019

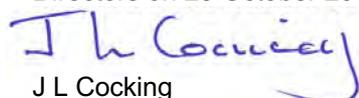
	Notes	2018-19 £'000	2017-18 £'000
<b>Income from:</b>			
Charitable activities	4(a)	19,738	17,106
Investments	4(b)	621	607
Other	4(c)	6	7
<b>Total income</b>		<b>20,365</b>	<b>17,720</b>
<b>Expenditure on:</b>			
Investment Management		(74)	(95)
Charitable activities	5	(18,049)	(16,308)
Mortgage Interest		(148)	(165)
Net interest and admin expenses on defined pension liability	18(d)	(605)	(689)
<b>Total expenditure</b>		<b>(18,876)</b>	<b>(17,257)</b>
<b>Net income before gains on investments</b>		<b>1,489</b>	<b>463</b>
<b>Net gains on investments</b>		<b>982</b>	<b>81</b>
<b>Net income</b>		<b>2,471</b>	<b>544</b>
<b>Other recognised gains/(losses):</b>			
Actuarial gains/(losses) on defined benefit pension schemes	18(g)	2,137	2,017
<b>Net movement in funds</b>		<b>4,608</b>	<b>2,561</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward		8,047	5,486
<b>Total funds carried forward</b>		<b>12,655</b>	<b>8,047</b>

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 2019

	Note	Group		Company	
		2019 £'000	2018 £'000	2019 £'000	2018 £'000
<b>Fixed Assets:</b>					
Intangible Assets	11	98	116	98	116
Tangible Assets	11	5,812	5,955	5,812	5,955
Investments	12	21,838	20,950	21,838	20,950
<b>Total Fixed Assets</b>		<b>27,748</b>	<b>27,021</b>	<b>27,748</b>	<b>27,021</b>
<b>Current Assets:</b>					
Stocks: finished goods		477	436	477	436
Debtors	15	4,623	3,793	5,082	3,771
Cash at bank and in hand		5,707	4,548	5,704	4,548
<b>Total Current Assets</b>		<b>10,807</b>	<b>8,777</b>	<b>11,263</b>	<b>8,755</b>
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	16	(3,004)	(2,546)	(3,000)	(2,536)
<b>Net current assets</b>		<b>7,803</b>	<b>6,231</b>	<b>8,263</b>	<b>6,219</b>
<b>Total assets less current liabilities</b>		<b>35,551</b>	<b>33,252</b>	<b>36,011</b>	<b>33,240</b>
Creditors: Amounts falling due after more than one year	16	(2,084)	(2,417)	(2,084)	(2,417)
<b>Net assets excluding pension liability</b>		<b>33,467</b>	<b>30,835</b>	<b>33,927</b>	<b>30,823</b>
Defined benefit pension scheme liability	18	(20,812)	(22,788)	(20,812)	(22,788)
<b>Total net assets</b>		<b>12,655</b>	<b>8,047</b>	<b>13,115</b>	<b>8,035</b>
<b>The funds of the charity:</b>					
<b>Unrestricted</b>					
Designated Funds	19	5,910	6,071	5,910	6,071
Free Reserves	19	27,557	24,764	28,017	24,752
Pension reserve	19	(20,812)	(22,788)	(20,812)	(22,788)
<b>Total unrestricted and charity funds</b>		<b>12,655</b>	<b>8,047</b>	<b>13,115</b>	<b>8,035</b>

The financial statements on pages 18 to 45 were approved and authorised for issue by the Board of Directors on 23 October 2019 and signed on its behalf by

  
J L Cocking  
Chair

Company number 00900899

## Consolidated statement of cash flows for the year ended 31 March 2019

	Note	2018-19	2017-18
		£'000	£'000
<b>Cash flows from operating activities</b>	<b>20(a)</b>	<b>940</b>	<b>(803)</b>
<b>Cash flows from investing activities</b>			
Dividends from investments, interest and rents		627	607
Purchase of fixed assets		(171)	(240)
Proceeds from sale of investments		2,639	2,804
Purchase of investments		(2,413)	(2,753)
Movement in cash held for investment		(132)	40
<b>Net cash provided by investing activities</b>		<b>550</b>	<b>458</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(313)	(297)
<b>Net cash used in financing activities</b>		<b>(313)</b>	<b>(297)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>1,177</b>	<b>(642)</b>
Cash and cash equivalents at the beginning of the reporting period		4,548	5,242
Effect of foreign exchange rate changes on cash and cash equivalents		(18)	(52)
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>20(b)</b>	<b>5,707</b>	<b>4,548</b>

# Notes to the financial statements

## for the year ended 31 March 2019

### 1. Status of the NFER

NFER is a body 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), 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.

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

#### b) Going concern

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

#### c) Recognition of income and expenditure

Income and direct research expenditure are recognised as project activity progresses. Income is recognised as earned when, and to the extent that, the charity obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable. In respect of incomplete research projects, the income recognised reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Income recognised but not yet invoiced is included in debtors as 'amounts recoverable on contracts'. Income billed in advance of contract performance is included in creditors as 'deferred income and payments on account'.

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

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

#### **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 is 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	3 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 Teachers' Pension Scheme (TPS) and the Buckinghamshire County Council Pension Fund (BCCPF).

Contributions in respect of NFER's defined contribution 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 18, 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 BCCPF, 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 19 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) 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.

#### **o) 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 (BCCPF) 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 18, will impact the carrying amount of the pension liability.

## 4. Income

<b>a) Charitable activities</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Research	14,228	12,069
Educational Resources	5,510	5,037
	<u>19,738</u>	<u>17,106</u>

### *Research*

This comprises income from the following activities:

- undertaking research related to education and training
- the development and use of assessment instruments and procedures
- undertaking surveys and similar services to support research
- supplying information developed from the above to stakeholders in schools and other education institutions.

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

### *Educational resources*

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

<b>b) Investment income</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
From listed investments	584	577
Interest on cash deposits	37	30
	<u>621</u>	<u>607</u>

### **c) Other**

This comprises rent receivable including service charges.

## 5. Net income before gains on investments

For year ended 31 March 2019

	Direct salaries	Direct costs	Support costs	2019 Total
	£'000	£'000	£'000	£'000
Research	6,859	3,087	4,520	14,466
Educational resources	914	1,481	577	2,972
Educational resource development	305	113	193	611
Total	<u>8,078</u>	<u>4,681</u>	<u>5,290</u>	<u>18,049</u>

For year ended 31 March 2018

	Direct salaries	Direct costs	Support costs	2018 Total
	£'000	£'000	£'000	£'000
Research	5,572	3,045	4,209	12,826
Educational resources	881	1,362	665	2,908
Educational resource development	281	81	212	574
Total	<u>6,734</u>	<u>4,488</u>	<u>5,086</u>	<u>16,308</u>

## 6. Support costs

	2019	2018
	£'000	£'000
Salary and pension costs	3,321	3,219
Recruitment and other staff costs	590	529
Property and office costs	595	509
Consultancy	199	158
Marketing	165	240
Depreciation	296	278
Amortisation	36	26
Exchange losses/(gains)*	2	46
Governance (see Note 7)	86	81
*Including transactional gains	<u>5,290</u>	<u>5,086</u>

## 7. Governance costs

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Board and Board Committee expenses	4	6
Audit and legal fees	37	37
Insurance	45	38
	<b>86</b>	<b>81</b>

## 8. Net income before gains on investments

Net income before gains on investments is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Auditor's remuneration (incl. VAT)		
– as auditors	25	23
– for other services	9	2
Depreciation and amortisation	332	304
Operating lease rentals – land and buildings	33	26
	<b>399</b>	<b>355</b>

## 9. Employees

Staff costs during the year:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	9,862	8,770
Social security costs	787	713
Pension costs	750	682
	<b>11,399</b>	<b>10,165</b>

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

	2019		2018	
	FTE	Head count	FTE	Head count
Permanent staff	195	215	184	206
Temporary staff	91	336	62	249
	<b>286</b>	<b>551</b>	<b>246</b>	<b>455</b>
Research staff	191	316	162	239
Other staff	95	235	84	216
	<b>286</b>	<b>551</b>	<b>246</b>	<b>455</b>

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 (2018: five) members of the Senior Management Team received total remuneration of £715k (2018: £578k) comprising both annual salary and pension contributions.

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

	2019	2018
	Number	Number
£60,001–£70,000	10	5
£70,001– £80,000	-	1
£80,001– £90,000	2	3
£ 90,001–£100,000	2	-
£100,001–£110,000	1	1
£120,001–£130,000	-	1
£130,001–£140,000	1	-

The number of higher paid staff to whom retirement benefits are paid into defined contribution pension schemes was 16 (2018: 11). The total contribution in respect of these employees was £127,439 (2018 £91,692).

The charity made no redundancy or termination payments during the year (2018: £Nil).

## 10. Members of the Board

Trustees' expenses consisted of travel and subsistence costs to seven Trustees (2018: 7) which amounted to £3,798 (2018: £2,681).

During the year, insurance costing £3,640 (2018: £3,640) 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 defaults of its Board, officers or staff.

## 11. Intangible and tangible fixed assets

Intangible Fixed Assets Group & Company	IT Software
	£'000
<b>Cost</b>	
1 April 2018	149
Additions in year	18
<b>31st March 2019</b>	<b>167</b>
<b>Amortisation</b>	
1st April 2018	33
Charge for year	36
<b>31st March 2019</b>	<b>69</b>
<b>Net book amount</b>	
<b>31st March 2019</b>	<b>98</b>
1st April 2018	116

Tangible Fixed Assets Group & Company	Land	Freehold property	IT equipment	Other equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
1 April 2018	700	7,612	627	243	9,182
Additions in year	-	-	111	42	153
Disposals	-	-	(10)	-	(10)
<b>31st March 2019</b>	<b>700</b>	<b>7,612</b>	<b>728</b>	<b>285</b>	<b>9,325</b>
<b>Depreciation and Impairment</b>					
1st April 2018	-	2,594	473	160	3,227
Charge for year	-	152	93	51	296
Disposals	-	-	(10)	-	(10)
<b>31st March 2019</b>	<b>-</b>	<b>2,746</b>	<b>556</b>	<b>211</b>	<b>3,513</b>
<b>Net book amount</b>					
<b>31st March 2019</b>	<b>700</b>	<b>4,866</b>	<b>172</b>	<b>74</b>	<b>5,812</b>
<b>1st April 2018</b>	<b>700</b>	<b>5,018</b>	<b>154</b>	<b>83</b>	<b>5,955</b>

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

	<b>2019</b>	<b>2018</b>
<b>Listed Investments</b>	<b>£'000</b>	<b>£'000</b>
Market value at 1 April 2018	20,519	20,489
Less: Disposals at net book value	(2,639)	(2,804)
Add: Acquisitions at cost	2,413	2,753
Net gain on revaluation at 31 March 2019	982	81
<b>Market value at 31 March 2019</b>	<b>21,275</b>	<b>20,519</b>
Cash allocated for investment	563	431
<b>Total Investments at 31 March 2019</b>	<b>21,838</b>	<b>20,950</b>
<b>Investments can be analysed as follows:</b>		
UK Investments (including cash)	14,350	13,436
Non UK Investments	7,488	7,514
	<b>21,838</b>	<b>20,950</b>

Total investment income for the year amounted to £584,000. Of this sum, £491,000 was derived from investments held in the UK and £93,000 derived from non UK investments.

The historic cost of listed investments is £16.4m (2018: £15.8m).

## 13. Subsidiary undertakings

### a) NFER Trading Limited (Company Number 0394591)

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. At the balance sheet date the company had a net deficit on its capital and reserves of £459,799 (2018: £12,052). Audited accounts are available at Companies House.

NFER Trading Limited's summary results were:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Sales	1,113	421
Cost of sales	(1,410)	(296)
Gross (loss)/profit	(297)	125
Administrative expenses	(175)	(124)
Interest received	-	-
Trading (loss)/profit	(472)	1
Gift Aid	-	(1)
Corporation tax	-	-
Retained (loss) after tax	(472)	-
	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Debtors & Cash	750	122
Creditors & Other Liabilities	(1,210)	(110)
Capital & Reserves	(460)	12

### b) Futurelab Education Limited (Company Number 04262609)

This company remained dormant throughout the year following the transfer of the trade and assets to NFER in the 2011/12 financial year.

### c) 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. Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	5,095	3,616	4,354	3,623
Investments measured at fair value through statement of financial activities	21,838	20,950	21,838	20,950
	<b>26,933</b>	<b>24,566</b>	<b>26,192</b>	<b>24,573</b>
<b>Carrying amount of financial liabilities</b>				
Trade creditors and accruals measured at amortised cost	1,285	923	1,285	916
Bank loan measured at amortised cost	2,417	2,730	2,417	2,730
	<b>3,702</b>	<b>3,653</b>	<b>3,702</b>	<b>3,646</b>

## 15. Debtors

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	2,203	2,141	2,203	2,137
Other debtors	159	135	159	135
Prepayments	266	148	266	148
Amounts recoverable on contracts	1,991	1,340	1,249	1,253
VAT Debtor	4	29	-	-
Subsidiary undertakings	-	-	1,205	98
	<b>4,623</b>	<b>3,793</b>	<b>5,082</b>	<b>3,771</b>

Trade debtors are stated after provisions for impairment of £117k (2018: £140k).

## 16. Creditors

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<i>Amounts falling due within one year:</i>				
Mortgage loan	332	313	332	313
Provision for pensions	3	3	3	3
Trade creditors	549	357	549	357
Other taxation and social security	464	342	464	342
Deferred income and payments on account	912	968	912	965
Accruals	744	563	740	556
	<b>3,004</b>	<b>2,546</b>	<b>3,000</b>	<b>2,536</b>
<i>Amounts falling due after more than 1 year:</i>				
Mortgage Loan	2,084	2,417	2,084	2,417
	<b>2,084</b>	<b>2,417</b>	<b>2,084</b>	<b>2,417</b>

The mortgage loan represents the amount drawn against the 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 2019 was 29.7% (2018: 32.8%)

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.

	2019	2018
	£'000	£'000
Within one year	332	313
Between two and five years	1,532	1,447
More than 5 years	553	969
Total	<b>2,417</b>	<b>2,729</b>

## 17. Guarantees and other financial commitments

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

Group and Company	2019	2019	2018	2018
	Land and Buildings	Other	Land and Buildings	Other
	£'000	£'000	£'000	£'000
Expiring:				
Within one year	37	11	29	11
Between two to five years	5	43	13	18
	<u>42</u>	<u>54</u>	<u>42</u>	<u>29</u>

## 18. Pension benefits

As at 31 March 2019, NFER (the Company and the Group) participated in two pension schemes:

- Defined Contribution Scheme, independently managed by Pan Trustees Ltd
- Teachers' Pension Scheme administered by Teachers' Pensions on behalf of the Department for Education.

NFER's active membership of the Buckinghamshire County Council 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.

## 18. Pension benefits (continued)

Contribution rates for the period have been set at an employer contribution rate of 16.48% and at employee rates ranging from 7.4% to 11.7%, depending on salary levels.

The latest valuation of the TPS, based on April 2016 data, has set the employer contribution rate at 23.67% payable from September 2019.

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 2019 there were 4 (2018:5) active members of the scheme.

### **Buckinghamshire County Council Pension Fund**

The Buckinghamshire County Council Fund (BCCPF) is accounted for as a defined benefit scheme under Financial Reporting Standard 102 s17.22 on retirement benefits.

From 1 July 2011, the NFER, following agreement with the BCCPF, ceased active membership of the defined benefit pension scheme. On 30 November 2015 NFER and BCCPF reached a settlement agreement that set out the arrangement for NFER to pay off its share of the BCCPF 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 BCCPF will agree on how to settle the outstanding amount.

The contributions to the BCCPF are determined by a qualified actuary on the basis of a triennial valuation using the projected unit method. The most recent valuation was as at 31 March 2016.

The valuation in 2016 (the next valuation is due in 2019) showed that the market value of the total fund's assets was £2,203m (2013: £1,768m) and the deficiency of liabilities accrued up to 31 March 2016 over the actuarial value of assets was £335 million (2013: £388m), equivalent to an 87% (2013: 83%) funding level.

At 31 March 2016 there were 0 (2013: 0) active members of the scheme, with 300 (2013: 325) deferred pensioners and 170 (2013: 154) pensioners.

The actuarial valuation has been updated on an approximate basis to 31 March 2019 as set out below.

### **a) Assumptions**

#### **i) Demographic**

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

	<b>Retiring today (March 2019)</b>	<b>Retiring in 20 years (March 2039)</b>
	Years	Years
Males	22.9	24.6
Females	24.8	26.6

## 18. Pension benefits (continued)

### ii) Financial

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

	At 31 March 2019	At 31 March 2018
Price increases (RPI)	3.4%	3.4%
Price increases (CPI)	2.4%	2.4%
Rate of increase in salaries	2.40%	2.35%
Rate of increase in pensions	2.40%	2.35%
Discount rate	2.40%	2.55%

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

	Value at 31 March 2019	Value at 31 March 2018
	£'000	£'000
Equities	17,421	18,938
Property	2,675	2,419
Gilts	4,226	3,063
Other Bonds	5,103	4,374
Cash	1,094	1,283
Alternative Assets	262	358
Hedge Funds	1,845	1,592
Absolute Return Portfolio	1,608	1,567
Total	<u>34,234</u>	<u>33,594</u>

### c) Net pension liability

	As at 31 March 2019	As at 31 March 2018
	£'000	£'000
Present value of funded obligations	55,021	56,352
Fair value of scheme assets (bid value)	(34,234)	(33,594)
Net liability	<u>20,787</u>	<u>22,758</u>
Present value of unfunded obligation	<u>25</u>	<u>30</u>
<b>Net Liability in Balance Sheet</b>	<b><u>20,812</u></b>	<b><u>22,788</u></b>

## 18. Pension benefits (continued)

### d) Statement of financial activities costs for the year:

The amounts recognised in the statement of financial activities are:	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
Net interest on the defined liability	576	657
Administration expenses	29	32
<b>Total</b>	<b>605</b>	<b>689</b>
<b>Actual return on scheme assets</b>	<b>1,731</b>	<b>1,863</b>

### e) Assets and benefit obligation reconciliation for the year to 31 March

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

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
<b>Opening defined benefit obligation</b>	56,382	57,549
Interest cost	1,419	1,532
Change in financial assumptions	1,952	(1,029)
Change in demographic assumptions	(3,200)	-
Estimated benefits paid net of transfers in	(1,503)	(1,666)
Unfunded pension payments	(4)	(4)
<b>Closing defined benefit obligation</b>	<b>55,046</b>	<b>56,382</b>

## 18. Pension benefits (continued)

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

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
<b>Opening fair value of scheme assets</b>	<b>33,594</b>	<b>33,007</b>
Interest on assets	843	875
Return on assets less interest	888	988
Administration expenses	(29)	(32)
Contributions by employer including unfunded benefits	445	426
Estimated benefits paid net of transfers in and including unfunded benefits	(1,507)	(1,670)
<b>Fair value of scheme assets at end of period</b>	<b>34,234</b>	<b>33,594</b>

### g) Reconciliation of opening and closing surplus

	Year to 31 March 2019 £'000	Year to 31 March 2018 £'000
<b>Deficit at beginning of the year</b>	<b>(22,788)</b>	<b>(24,542)</b>
Net interest on defined liability and administration expenses	(605)	(689)
Contributions by employer	445	426
Unfunded pension payments	4	4
Other finance (cost)/income	(5)	(4)
Actuarial gains/(losses)	2,137	2,017
<b>Deficit at end of the year</b>	<b>(20,812)</b>	<b>(22,788)</b>

## 19a. Statement of movement in Reserve Funds: 1 April 2018 to 31 March 2019

Group	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL
Unrestricted funds	£'000	£'000	£'000	2019 £'000
Balance brought forward at 1 April 2018	6,071	(22,788)	24,764	8,047
Net movement in resources	(161)	1,976	2,793	4,608
Transfers between funds	-	-	-	-
<b>Balance carried forward at 31 March 2019</b>	<b>5,910</b>	<b>(20,812)</b>	<b>27,557</b>	<b>12,655</b>
<b>Represented by:</b>				
Fixed assets	5,910	-	21,838	27,748
Current assets	-	-	10,807	10,807
Creditors falling due within one year	-	-	(3,004)	(3,004)
Creditors falling due after one year	-	-	(2,084)	(2,084)
Defined benefit pension liability	-	(20,812)	-	(20,812)
	<b>5,910</b>	<b>(20,812)</b>	<b>27,557</b>	<b>12,655</b>

## 19a. Statement of movement in Reserve Funds: 1 April 2018 to 31 March 2019 (continued)

Company Unrestricted funds	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL 2019
	£'000	£'000	£'000	£'000
<b>Funds</b>				
Balance brought forward at 1 April 2018	6,071	(22,788)	24,752	8,035
Net movement in resources	(161)	1,976	3,265	5,080
Transfers between funds	-	-	-	-
<b>Balance carried forward at 31 March 2019</b>	<b>5,910</b>	<b>(20,812)</b>	<b>28,017</b>	<b>13,115</b>
<b>Represented by:</b>				
Fixed assets	5,910	-	21,838	27,748
Current assets	-	-	11,263	11,263
Creditors falling due within one year	-	-	(3,000)	(3,000)
Creditors falling due after one year	-	-	(2,084)	(2,084)
Defined benefit pension liability	-	(20,812)	-	(20,812)
	<b>5,910</b>	<b>(20,812)</b>	<b>28,017</b>	<b>13,115</b>

## 19b. Statement of movement in Reserve Funds: 1 April 2017 to 31 March 2018

<b>Group</b>	<b>Designated Fixed Assets Fund</b>	<b>Pension Reserve Pension Liability</b>	<b>Free Reserve Accumulated Fund</b>	<b>TOTAL</b>
<b>Unrestricted funds</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>2018 £'000</b>
Balance brought forward at 1 April 2017	6,136	(24,542)	23,892	5,486
Net movement in resources	(65)	1,754	872	2,561
Transfers between funds	-	-	-	-
<b>Balance carried forward at 31 March 2018</b>	<b>6,071</b>	<b>(22,788)</b>	<b>24,764</b>	<b>8,047</b>
<b>Represented by:</b>				
Fixed assets	6,071	-	20,950	27,021
Current assets	-	-	8,777	8,777
Creditors falling due within one year	-	-	(2,546)	(2,546)
Creditors falling due after one year	-	-	(2,417)	(2,417)
Defined benefit pension liability	-	(22,788)	-	(22,788)
	<b>6,071</b>	<b>(22,788)</b>	<b>24,764</b>	<b>8,047</b>

## 19b. Statement of movement in Reserve Funds: 1 April 2017 to 31 March 2018 (continued)

Company Unrestricted funds	Designated Fixed Assets Fund	Pension Reserve Pension Liability	Free Reserve Accumulated Fund	TOTAL 2018
	£'000	£'000	£'000	£'000
<b>Funds</b>				
Balance brought forward at 1 April 2017	6,136	(24,542)	23,880	5,474
Net movement in resources	(65)	1,754	872	2,561
Transfers between funds	-	-	-	-
<b>Balance carried forward at 31 March 2018</b>	<b>6,071</b>	<b>(22,788)</b>	<b>24,752</b>	<b>8,035</b>
<b>Represented by:</b>				
Fixed assets	6,071	-	20,950	27,021
Current assets	-	-	8,755	8,755
Creditors falling due within one year	-	-	(2,536)	(2,536)
Creditors falling due after one year	-	-	(2,417)	(2,417)
Defined benefit pension liability	-	(22,788)	-	(22,788)
	<b>6,071</b>	<b>(22,788)</b>	<b>24,752</b>	<b>8,035</b>

## 19. Statement of movement in Reserve Funds: 1 April 2018 to 31 March 2019 (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 2018–19 amounts to £2.3m and £4.6m. The current level of net free reserves less the pensions reserve (see below) stands at £6.7m (2018: £2m).

#### *Pension Reserve*

This is a reserve to recognise NFER's share of the estimated deficit of the Buckinghamshire County Council Pension Fund as calculated in accordance with FRS102. NFER and BCCPF 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.

## 20. Notes to the cash flow statement

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

#### Reconciliation of net income to net cash flow from operating activities

	2019	2018
	£'000	£'000
<b>Net income for the reporting period (as per the statement of financial activities)</b>	2,471	544
<b>Adjustments for:</b>		
Depreciation and amortisation charges	332	304
Gains on investments	(982)	(81)
Dividends from investments, interest and rents	(627)	(607)
Defined benefit pension scheme cost	605	689
Payments towards pension deficit	(445)	(426)
Exchange losses (gains) on cash balances	0	52
Increase in stocks	(41)	(92)
Increase/decrease in debtors	(830)	(366)
Decrease in creditors	457	(820)
<b>Net cash provided/(used) by operating activities</b>	<b>940</b>	<b>(803)</b>

### b) Analysis of Cash and Cash Equivalents

	2019	2018
	£'000	£'000
Cash in hand	2,200	1,440
Notice deposits (less than 3 months)	3,507	3,108
<b>Total cash and cash equivalents</b>	<b>5,707</b>	<b>4,548</b>

### c) Reconciliation to net funds

	2019	2018
	£ '000	£ '000
Net funds at 1 April 2018 (Note 20(d))	1,818	2,216
(Decrease)/Increase in cash during the year	1,177	(642)
Cash inflow from reduction of debt	313	296
Effect of exchange rate changes on cash held in other currencies	(18)	(52)
<b>Net funds at 31 March 2019 (Note 20(d))</b>	<b>3,290</b>	<b>1,818</b>

#### d) Analysis of net funds

	<b>As at 1 April 2018</b>	<b>Cash flows</b>	<b>Transfers</b>	<b>As at 31 March 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank	4,548	1,159	-	5,707
Debt – due within one year	(313)	313	(332)	(332)
Debt – due after more than one year	(2,417)	-	332	(2,085)
	<b>1,818</b>	<b>1,472</b>	<b>-</b>	<b>3,290</b>

## 21. Results of the Company

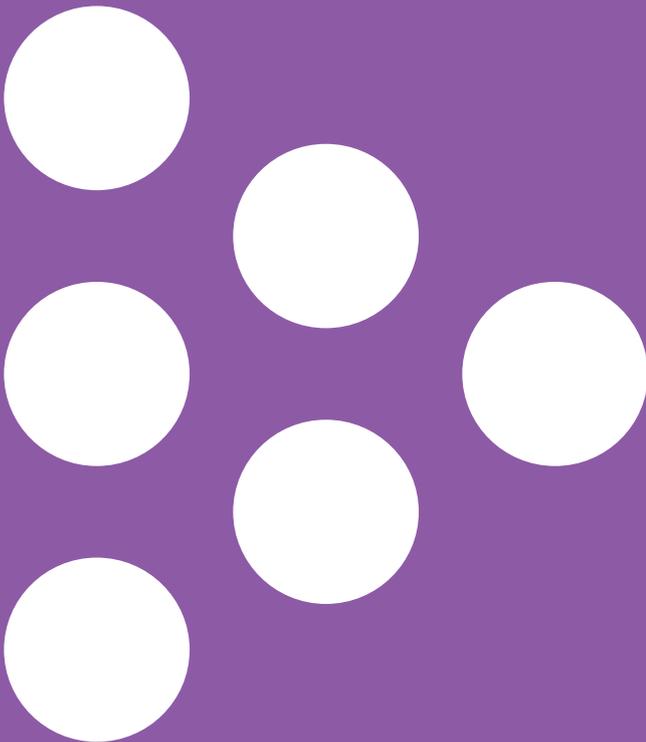
As permitted under Section 408 of the Companies Act 2006, the statement of financial activities of the company has not been presented as part of these financial statements. The results of the parent undertaking for the year ended 31 March 2019 was a net movement in funds of £5,079k after actuarial gains on the defined benefit pension scheme of £2,136k (2018: net movement in funds of £2,561k after actuarial gains of £2,017k).

## 22. Related party transactions

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

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Balance between parent company and NFER Trading Ltd	1,205	98
Inter-company recharge of expenses during the year	1,260	296

# Evidence for excellence in education



© National Foundation for Educational Research 2019

All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, or otherwise, without prior written permission of NFER.

The Mere, Upton Park, Slough, Berks SL1 2DQ  
T: +44 (0)1753 574123 • F: +44 (0)1753 691632  
[enquiries@nfer.ac.uk](mailto:enquiries@nfer.ac.uk)

[www.nfer.ac.uk](http://www.nfer.ac.uk)

