NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH
(Incorporated) (The)
(A company limited by guarantee)

Report and financial statements
Registered number: 341010
Charity number: 206083
31 March 2011

Contents

Reference and administrative information

Trustees (Members of the Council of Management)
Professor TJ Besley* (Chairman)
N C F Barber~
K Barker°
Professor C Bean
C Bowe[1]
C Professor W H Buiter[1]
Lord Burns*
B Curtis*
Professor J Ermisch°
Professor J Hills
Professor H Joshi~
H H Liesner°
J Llewellyn
Sir Nicholas Monck
Lord Oakeshott[2]
S Wadhwani*
M R Weale[3]
J Portes[4]

* Member of Investment Committee
° Member of Audit Committee
~ Member of Ethics Committee

[1] Resigned 18th November 2010
[2] Appointed 18th November 2010
[3] Resigned 4th October 2010
[4] Appointed 1st February 2011

Chief Executive
J Portes

Company Secretary
G S Clisham

Registered Office & Principal Place of Business
2 Dean Trench Street, Smith Square, London, SW1P 3HE

Registered Number: 341010 **Charity Number**: 306083

Auditors
PKF (UK) LLP, Farringdon Place, 20 Farringdon Road, London EC1M 3AP

Bankers
Bank of Scotland, 600 Gorgie Road, Edinburgh, EH11 3XP
Lloyds TSB Plc, 4 Dean Stanley Street, Millbank, London, SW1P 3HU

Solicitors
Pannone & Partners, 123 Deansgate, Manchester, M3 2BU

Trustees' report

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2011. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" as revised in 2005 in preparing the annual report and financial statements of the charity, as well as complying with current statutory requirements and the Memorandum and Articles of Association.

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

- The organisation is a charitable company limited by guarantee and was founded on 2 June 1938. It is governed by a memorandum and articles of association which have been in place since incorporation.

- The Trustee Board consists of senior representatives from policy-making, business and academia. This enables the trustees to be effective in providing advice and guidance to the Institute's management. Applications for trusteeship are by recommendation from the Chairman of the trustees. New trustees can be elected only at the charity's Annual General Meeting and co-opted at other times subject to election at the next AGM. Prior to election trustees are made aware of their obligations in relation to the Charity in line with the Memorandum and Articles of Association. Trustees are provided with information on the research activities of the Charity on a quarterly basis and are given the opportunity to attend annual presentations by the research team leaders. This gives them the opportunity to discuss the present research portfolio directly with staff. The number of trustees must not be fewer than seven or greater than twenty-five. The trustees meet four times a year.

- The overall management of the Charity is carried out by its Chief Executive who reports to the board of trustees (the "board") on a quarterly basis. He is particularly responsible for managing the research portfolio and acts as the figurehead of the organisation. The Secretary of the Institute runs the administration of the organisation and also reports to the board.

- The Institute has several sub committees. The Investment Committee is made up of trustees who are appointed for their particularly high level of expertise and experience and is chaired by the Chief Executive of the Institute. The Audit Committee is made up of trustees with appropriate experience and is chaired by Hans Liesner. Both committees operate under specific terms of reference which delegate certain functions from the trustee board. Each committee has its decisions ratified by the board.

  An Ethics Committee exists which has the responsibility to consider ethical issues in relation to grant applications. This reports to the main Council and comprises trustees NCF Barber and Professor Heather Joshi. Professor Joshi is considered an expert in this sphere due to her extensive academic experience. It meets on an ad hoc basis when the need arises.

  Martin Weale resigned as Chief Executive of the Institute with effect from 4th October 2010. Ray Barrell acted as interim Chief Executive from this date until Jonathan Portes was appointed as Chief Executive with effect from 1st February 2011. Ray Barrell was not appointed as a Trustee during his tenure.

- **Risk review.** The trustees actively review the operational and business risks which the charity faces. These cover both short and long term risk and in particular concern personnel, financial, computing and management risk. The trustees confirm that they are satisfied that strategies, systems and controls are in place to, as far as possible, mitigate any significant risks.

  The main short-term risk that the Institute faces is personnel risk. The work undertaken is often highly specialised with only a small pool of people outside the Institute who have the necessary skills and expertise. The concern arises mainly over senior staff. The main long-term risk is that of gradual contraction through a failure either to recruit enough established researchers or a failure to develop our own researchers fast enough to make up for staff turnover. It should be noted that recruitment at a senior level is, itself, risky but something which can be mitigated by buying in time from visiting academics in the expectation that they will raise grants and run projects.

In addition, there is a business risk that the Institute does not attract appropriate projects and funding. The Trustees consider that this is in large part a function of the staff employed and is managed accordingly. The resources available to public bodies and charities which commission research are evidently also relevant.

The Institute has proper procedures in place to ensure that our accounting arrangements have been set up in a way to minimise the risk of fraud with robust systems set up for authorisation There are also a number of personnel who have adequate knowledge of the accounting systems to ensure that transparency of activity is achieved whilst protecting confidentiality.

2. PUBLIC BENEFIT

The National Institute of Economic and Social Research's primary purpose is to carry out economic and social research which is of high academic standard. Much of this research is relevant to policy and as such it has a significant influence on public debate. It is not always possible to gauge how much this research does affect future policy as assessment and possible implementation of policies based on NIESR's original research may take some time to materialise. However, members of NIESR's staff are invited to give evidence to parliamentary select committees and our research is cited in parliamentary debates.

NIESR regularly appears in the written and broadcast media giving expert opinion on issues of public interest. Members of NIESR's staff write articles for newspapers as well as commenting on current issues.

NIESR realises the importance of disseminating its research to as wide an audience as possible. With this in mind, it holds regular seminars, the vast majority of which are free of charge. Many of these are suitable for a non-specialist audience such as the Westminster Economics Forum which is designed for policymaking and business and funded by the ESRC.

The Institute provides free copies of all its published research reports and discussion papers via its website at www.niesr.ac.uk. It also provides indicators on the state of the economy which are free to download. The website also contains videos of seminars and press conferences which are open access.

The Institute has a global econometric model which is sold to many European Central Banks and international organisations such as the IMF. The model's use within these organisations helps to widen the influence of NIESR's research and allows our expertise to influence policy decisions not only in the UK but worldwide. The model is sold to subscribers to cover the costs of the research staff needed to develop this model and not to generate a profit for the organisation.

In its role as an educational charity NIESR strives to disseminate all its research as widely as possible and to undertake research which ultimately resides in the public domain. It publishes widely in all media and ensures that its staff are available for expert comment when appropriate. Research funding obtained enables NIESR staff to improve knowledge of issues which are of importance to both the UK and worldwide economy, with the ultimate aim to improve social and economic welfare. This was the purpose of the Institute's foundation in 1938 and remains central to its ethos today.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard of the Charity Commission's general guidance on public benefit.

3. OBJECTIVES AND ACTIVITIES

In more detail, the objectives of the National Institute of Economic and Social Research are:

- To carry out high-quality economic and social research which is of good academic standing and likely also to be relevant to the needs of policy-makers.
- To intervene in relevant policy debates in appropriate ways.
- To contribute to the economic and social research infrastructure.
- To provide a framework in which National Institute research staff can develop their careers and reputations.

In order to carry out these objectives the National Institute aims to:

- Maintain a cadre of research staff with appropriate mixes of experience and expertise.
- Encourage research staff to participate actively in dissemination of research to media and directly to users and potential sponsors of research.
- Support as far as possible staff involvement in public service activities such as refereeing for journals and public bodies nationally and internationally and contributing to activities of Government in an expert capacity.
- Advise and encourage staff in i) writing up work for publication, ii) developing research proposals and iii) promoting research and research capability to users and sponsors of research.
- Seek funding from all appropriate sources to provide the means needed for the Institute to carry out research.
- Maintain the scale of the Institute's operations large enough to allow its fixed costs to be spread in a way which is manageable.
- Provide efficient financial and administrative management to allow research staff to carry out their activities.

These objectives are pursued through three main channels:

- A wide variety of research projects on topics of contemporary interest both to policy makers and academic audiences are pursued and disseminated through seminars and publications. This work is commissioned and funded by the European Commission, Government departments, the Economic and Social Research council and certain foundations.
- The Institute has developed an econometric model (NIGEM) which contributes to our understanding of the working of the economy and thus to the economic and social infrastructure and also provides revenue to support the organisation's charitable objectives. User licences are sold to a variety of organisations including central banks, private sector financial organisations, UK Treasury and the Bank of England.
- NIESR's subsidiary company – NIESR Services Ltd – generates income through the publication of a quarterly journal which enjoys a high reputation and has a worldwide subscription base. New opportunities for wider circulation and visibility are currently being sought in conjunction with the publisher. This includes a greater use of social media and pay per view options.

  NIESR Services Ltd also acts as the vehicle for the sale of a primary school maths system jointly developed with the London Borough of Barking and Dagenham. This is now of less significance in terms of income generation than in previous years and is being run down. Sales of the materials have tailed off considerably and the scheme seems to have run its course. This is an expected outcome for a learning scheme after a period of time, as trends in teaching evolve.

The trustees intend to continue following the above strategy whilst reviewing other options to spread further the knowledge acquired.

4. FINANCIAL REVIEW

- **Financial Review**
  The Statement of Financial Activities for the year (page 9) shows a shortfall in incoming resources before other recognised gains of £2,034 (2010 – surplus of £12,551) arising from gross income of £2,888,282 (2010 - £2,825,267).

The recent income for the Institute can be summarised as follows:

	2006-07	**2007-08**	**2008-09**	**2009-10**	**2010-2011**
Income:-	£	£	£	£	£
-Donations	26,500	27,040	44,000	41,000	29,000
-Publications	231,966	244,766	195,846	203,093	152,116
-Econometric model fees	413,477	376,630	422,451	418,538	348,240
-Misc income	31,955	40,662	56,408	55,128	49,875
-Fees for research work	1,466,656	1,505,854	1,792,584	1,990,606	2,180,779
Investment Income:	194,410	169,884	145,275	116,902	128,272
	2,364,964	2,364,836	2,656,564	2,825,267	2,888,282

Total expenditure, which fluctuates in line with research funding, increased by £77,600 to £2,890,316 during the year. As shown by the Accounts, the main costs of the Charity are staff costs required to deliver projects.

The Institute's aim is to balance income and expenditure in the long run, with the inevitable implication that small surpluses and deficits can arise from one year to the next. The trustees regard the small deficit for this year as perfectly consistent with that aim.

The balance sheet shows an increase in unrestricted funds of approximately 5 per cent, mainly due to the partial recovery of the stock market during the period. There are no restricted funds.

- **Investment policy**
  The Trustees have the power to invest in such assets as they see fit. The charity seeks to maximise its total return from investments. During the year there has been an increase in the value of these investments of £185,250 (2010 – increase £769,880).

- **Policy on holding reserves**
  The Institute employs academic staff on a long-term, (indefinite) basis and must do so to attract good research workers. The income that they earn, on the other hand, comes primarily from grants for research work which are short-term, and whose future generation is uncertain. Hence the Institute must have financial reserves to insure against temporary dips in research income, and to ensure continuity in the conduct of its activities. This is particularly relevant in the current research funding environment when levels of commissioning from government departments remain unclear.

Moreover, these financial reserves provide income. The Institute has to make its bids for research projects competitive, and the availability of such investment income enables it to pitch its bids for research projects at a level that has enabled it to continue to generate sufficient core research income to break even overall on average.

Taking all these matters into account the Trustees consider that the present level of unrestricted reserves (£4,686,893 as at 31 March 2011) is adequate. Based on the balance sheet a breakdown to reflect the objectives set out above would be:

	£
Fixed assets and investments, held on a long term basis principally to generate income for the charity	3,736,217
Free reserves, representing a buffer to meet operating costs	900,695
Total reserves	4,636,892

5. ACHIEVEMENTS & PERFORMANCE

The Institute has maintained its main objectives by continuing to provide high quality research and timely as well as authoritative contributions to the debates of the day. The table below shows the levels of publications and media activity showing a significant increase in appearances in broadcast media largely as a result of recent political and economic events.

	2006-7	2007-8	2008-9	2009-10	2010-11
Research reports, articles, chapters in books	128	112	163	179	119
Conference and seminar presentations	40	41	27	93	69
Appearances on broadcast media	31	32	66	124	279

In addition NIESR staff appeared at Parliamentary Select Committees; as in previous years there have been numerous references to the Institute and its work in the press. The media coverage is a function of projects underway or completed in the year – some of which may have been commissioned some time ago. The number of publications tends to be variable as it depends on the type of projects being undertaken and the dissemination activities which result from the research. The broadcast media appearances reflect the Institutes comments on the key issues of the day.

NIESR Services Limited

The charity's wholly-owned trading subsidiary carries out non-charitable trading activities for the charity and transfers all its taxable profits to the charity by a deed of covenant. The principal activities of the company are receiving royalties from the *National Institute Economic Review* and other publications, organising conferences and seminars and the publication and distribution of the Improving Primary Mathematics scheme, though as stated earlier, this scheme is running down

To support the work of the Institute, the Review continues to command a wide international readership and generates a considerable amount of comment from both the written and broadcast media.

6. PLANS FOR THE FUTURE

The Institute aims to continue to carry out high quality economic and social research of relevance to policy makers and the business community at a scale comparable to previous years. It aims to do this through revenue generation from grant making bodies such as government departments, research councils and charitable foundations. The Institute's management team sees careful financial planning as an essential component of sustainability and therefore has systems in place to project funding for up to two years in advance. Members of staff are therefore aware of any gaps which they need to address and seek funding accordingly.

The Institute has a management report which is reviewed in detail by Trustees every year. This indicates possible areas of development and expansion and outlines the strategy to be used in achieving these goals including

- NIESR is aware that the wide dissemination of its research is key to its aims and objectives. With this in mind work continues on expanding the portfolio of web-based products which are targeted at a variety of audiences. Improved marketing and dissemination of NIESR's journal is being developed including greater use of social media.

- Continuing work to update and provide access to the NIGEM economic model with the aim of attracting further high quality users.

- The Institute continues to develop its social policy research area. It is hoped that this will include research such as evaluations of high profile government schemes. This will enable the organisation to strengthen its presence and influence in the UK policy debate.

- A decision has been made to write off most of the old stock of the IPM scheme. This will be offered at a large discount to the schools who have previously subscribed to the scheme. A new set of materials has been developed on a low cost basis and this will continue to be sold at full price in 2011/12 but reviewed the following year.

- NIESR has not yet been affected by contraction in government funding for research but is aware that this may be an issue in 2012/13 onwards. It is therefore seeking alternative sources of funding to retain a wide portfolio of projects and funders in an aim to mitigate any risk to the organisation.

7. PEOPLE

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. A staff member attends the Council meetings as an observer.

The charity has implemented policies in relation to personnel matters including an Equal Opportunities policy and an Health & Safety policy. In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, selection, retention and training of staff.

8. AUDITORS

A resolution to re-appoint PKF (UK) LLP as auditors of the charity will be put to the Annual General Meeting.

9. STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418(2) of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board
J Portes ………………2011
Trustee and Director

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for the charity for each financial year. Charity law requires the trustees to prepare group financial statements for the charity and its subsidiary undertakings. The financial statements must be prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) and are required to give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for the year. In preparing the financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 1993 and regulations made thereunder. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL INSTITUTE OF ECONOMIC AND SOCIAL RESEARCH

We have audited the group and parent charity financial statements ("the financial statements") of The National Institute of Economic and Social Research for the year ended 31 March 2011 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and in accordance with regulations made under section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's members and trustees those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also directors of the 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. We have been appointed as auditor under section 43 of the Charities Act 1993 and under the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 1993 and regulations made thereunder and the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees’ annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where regulations made under the Charities Act 1993 and where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept in respect of the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements do not accord with the accounting records; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- any information or explanation to which we are entitled has not been afforded to us.

Karen Thompson (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK
....2011

Consolidated Statement of Financial Activities
(Incorporating an income and expenditure account)

	Note	2011	2011	2010	2010
		£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income:-					
-Donations		**29,000**		41,000	
Activities to generate funds:-					
-Publications		**152,116**		203,093	
-Misc income		**49,875**		55,128	
Investment Income:-					
-Income from investments		**127,545**		116,312	
-Other interest receivable		**727**		590	
Incoming resources from charitable activities					
-Econometric model fees		**348,240**		418,538	
-Fees for research work	2	**2,180,779**		1,990,606	
Total incoming resources			**2,888,282**		2,825,267
Resources expended					
Costs of Generating Funds					
-Fund raising trading – publications		**162,979**		193,472	
Charitable activities	3	**2,668,198**		2,561,208	
Governance costs	5	**59,139**		58,036	
Total resources expended			**2,890,316**		2,812,716
Net (outgoing) / incoming resources before other recognised gains			**(2,034)**		12,551
Other recognised gains / (losses)					
Realised losses	8		**(4,321)**		-
Unrealised gains / (losses)	10		**185,250**		769,880
Net movements in funds			**178,895**		782,431
Balance brought forward at 1 April 2010			**4,457,997**		3,675,566
Balance carried forward at 31 March 2011	14		**4,636,892**		4,457,997

All funds are unrestricted. The deficit for the year for Companies Act purposes comprises net incoming resources for the year less realised losses and was a loss of £6,355 (2010 surplus £12,551).

The individual company Statement of Financial Activities (SOFA) has not been prepared but can be determined by deducting the subsidiary company's results as detailed in note 16 from the consolidated statement above. The Charity's incoming resources amounted to £2,750,095 (2010 - £2,702,170).

All incoming resources and resources expended derive from continuing activities.

Consolidated and Charity Balance Sheet
at 31 March 2011

	Note	Group 2011 £	Group 2010 £	Charity 2011 £	Charity 2010 £
Fixed assets					
Tangible assets	9	**218,742**	215,639	**218,742**	215,639
Investments	10,15	**3,517,475**	3,473,380	**3,517,477**	3,473,382
		3,736,217	3,689,019	**3,736,219**	3,689,021
Current assets					
Stocks	11	**7,993**	64,560	**-**	-
Debtors – owed by subsidiary undertaking		**-**	-	**43,125**	97,347
Debtors – trade and other debtors	12	**1,450,207**	1,211,396	**1,364,914**	1,168,405
Cash at bank and in hand	18	**343,552**	594,637	**253,293**	481,916
		1,801,752	1,870,593	**1,661,332**	1,747,668
Creditors: amounts falling due within one year	13	**(901,077)**	(1,101,615)	**(760,658)**	(978,692)
Net current assets		**900,675**	768,978	**900,674**	768,976
Total assets less current liabilities		**4,636,892**	4,457,997	**4,636,892**	4,457,997
Net assets		**4,636,892**	4,457,997	**4,636,892**	4,457,997
Unrestricted funds					
General funds	14	**4,636,892**	4,457,997	**4,636,892**	4,457,997
Total funds		**4,636,892**	4,457,997	**4,636,892**	4,457,997

These financial statements were approved and authorised for issue by the Board of Directors on 15th September 2011.

These accounts should be read in conjunction with the notes set out on pages 12 to 19.

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J Portes
Director

Consolidated Cash Flow Statement
for the year ended 31 March 2011

	Note	**2011**	**2011**	2010	2010
		£	**£**	£	£
Net cash outflow from operating activities	17		**(505,509)**		(38,575)
Return on Investments			**128,272**		116,902
Capital expenditure and financial investments					
Purchase of investments		-		(757,977)	
Sales of investments		**300,000**		-	
Purchase of fixed assets		**(14,754)**		(96,737)	
			285,246		(854,714)
Net cash (outflow) from investing activities			**(91,991)**		(776,387)
Management of liquid resources					
(Increase) / Decrease in cash held by brokers	18		**(159,093)**		953,412
(Decrease) / Increase in cash in the year	18		**(251,084)**		177,025

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" as revised in 2005 and applicable UK accounting standards and the Companies Act 2006.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Section 474(2)of the Companies Act 2006 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Fund accounting

All funds taken to the reserves at the year end are unrestricted and are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes and transferred from the General Reserve.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

During the year grants are received which are required to be applied to specific research projects. Amongst these are projects which contain a requirement that any unused funds are repayable to the donor. Grants are accounted for on the basis of delivery of research projects and only those amounts expendable and receivable on an accruals basis have been taken into the accounts as resources expended and income. Amounts received in respect of projects where project delivery has not been completed are held in deferred income.

Interest and model licence fees are recognised over the periods to which they relate. Sales of publications are recorded when due. Donations and dividend income are recorded when received.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Governance costs are those incurred in connection with the strategic as opposed to the day to day management of the charity's activities and include costs of external audit, legal advice for trustees, cost of trustee meetings and preparing statutory accounts. Premises costs are those costs incurred in the maintenance of the premises excluding the costs of any repairs, which are identified as a separate cost. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of the resources. Staff costs are allocated based on activities including between charitable activities and the cost of generating funds - publications. Overheads are apportioned based on staff time. Support costs have been applied on a directly attributable basis where possible and the residue on an income basis.

Irrecoverable VAT is charged against the category of resources for which it was incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,500 are capitalised and included at cost including any incidental expenses of acquisition. Items under £1,500 are expensed.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold land	-	nil
Freehold buildings	-	nil
Improvement to freehold buildings	-	over 10 years
Office equipment	-	over 3 years
Computer equipment	-	over 3 years

No depreciation is charged on freehold buildings on the grounds that it would be immaterial.

Each year the Trustees review the property for indications of impairment.

Investments

Listed investments are stated at market value at the balance sheet date. Unlisted investments are stated at cost. The SOFA includes the realised and unrealised net gains and losses arising on disposals and revaluations throughout the year.

All long term cash investments have been classified as long term investments on the balance sheet.

Stock

Stock consists solely of workbooks and manuals for sale to schools by *NIESR Services Ltd*. Stocks are valued at the lower of cost and net realisable value.

Pension costs

The Charity participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The liabilities are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustee on the advice of the actuary. In the intervening years, the actuary reviews the progress of the Scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the Charity benefits from the employees' service.For more detail see Note 19.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date and any gains and losses arising are charged to Finance Costs within Support costs.

Capital Commitment

NIESR did not have any capital commitments at 31st March 2011

2 Fees for Research work

	2011 £	2010 £
From European Commission institutions	**460,778**	299,092
From Economic and Social Research Council	**394,016**	258,974
From Government Departments	**699,804**	953,614
From Trusts and Foundations	**54,095**	61,196
From other sources	**572,086**	417,730
	2,180,779	1,990,606

All research income relates to the Charity.

3 Research including library expenditures

	2011 £	2010 £
Staff costs	**1,864,825**	1,896,379
Honoraria and fees including pass through money for European commission projects	**149,478**	98,449
Travel and subsistence	**28,905**	27,714
Books and journals	**55,740**	42,684
Research materials	**31,621**	60,531
Sundry expenses	**31,358**	26,345
Support costs	**506,271**	409,106
	2,668,198	2,561,208

4 Remuneration of Directors & Trustees

	2011 £	2010 £
Director's emoluments	**71,354**	119,723
Pension contributions	**11,417**	17,962
	82,771	137,685

	Number of directors 2011	2010
Retirement benefits are accruing to the following number of directors under:		
- Defined benefit schemes	1	1

The Chief Executive has a rolling one year contract commencing 1 February 2011. The former Chief Executive had a rolling one year contract from 1 October 2005.

As allowed by the Articles of Association a director who is a trustee is entitled to remuneration and expenses. Trustee expenses paid in the year were £9 (2010-£55).

5 Governance Costs

	2011 £	2010 £
Support costs	**11,126**	12,820
Auditors' remuneration – audit services	**8,980**	8,541
Accountancy costs	**39,554**	35,381
Other professional services	**(521)**	1,294
	59,139	58,036

6 Support Costs

	2011 £	2010 £
Staff costs	**292,186**	284,287
Premises costs	**110,027**	61,424
Computing costs	**44,810**	30,346
Postage	**4,154**	3,140
Publicity costs	**10,188**	10,998
Depreciation	**11,651**	10,811
Provision for bad debts and finance costs	**37,573**	33,474
Sundry expenses	**53,701**	40,513
	564,290	474,993

Support costs have been applied on a directly attributable basis, where possible, and the residue on an income basis, as follows:

Publications	**46,893**	53,067
Research activities	**506,271**	409,106
Governance	**11,126**	12,820
	564,290	474,993

7 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2011	**2010**
Research	**25**	27
Library	**2**	2
Publications	**2**	2
Administration and general	**7**	7
	36	38
Full time equivalent staff in year	**32**	35

In addition four researchers were used on a subcontract basis to assist in Institute research but are not employed by the Institute. The aggregate payroll costs of the employees were as follows:

	2011	**2010**
	£	**£**
Wages and salaries	**1,721,349**	1,754,785
Social security costs	**162,093**	167,147
Other pension costs	**271,795**	258,508
	2,155,237	2,180,440

	2011	**2010**
Staff earning £60,000 - £70,000	**5**	3
Staff earning £70,000 - £80,000	**2**	2
Staff earning £80,000 - £90,000	**2**	2
Staff earning £90,000 - £100,000	**-**	-
Staff earning £100,000 - £110,000	**1**	1
Staff earning £110,000 - £120,000	**-**	1

Retirement benefits are accruing to all these individuals under Defined Benefit Schemes.

8 Gain on realisation of assets

	2011	**2010**
	£	**£**
Loss on disposal of investments	**(4,321)**	-
	(4,321)	-

9 Tangible fixed assets - Group and Charity

	Freehold property	**Improvements to Freehold Property**	**Computers and office machinery**	**Total**
	£		**£**	**£**
Cost				
At 1 April 2010	167,380	106,567	67,256	341,203
Additions	-	-	14,754	14,754
Disposals	-		-	-
At 31 March 2011	167,380	106,567	82,010	355,957
Depreciation				
At 1 April 2010	49,000	10,299	66,265	125,564
Charge for year	-	10,657	994	11,651
On disposals	-	-	-	-
At 31 March 2011	49,000	20,956	67,259	137,215
Net book value				
At 31 March 2011	**118,380**	**85,611**	**14,751**	**218,742**
At 31 March 2010	118,380	96,268	991	215,639

The Trustees consider that the value of the Freehold Property is significantly in excess of its book value. However, as they have no intention of realising it at present, no formal valuation has been undertaken.

10 Investments

Fixed asset investments: Stocks	2011 Cost £	2011 Balance sheet value £	2010 Cost £	2010 Balance sheet value £
Listed on:				
London stock exchange	**3,207,996**	**3,194,508**	3,480,382	3,314,593
Elsewhere	**87,364**	**103,400**	87,364	98,313
	3,295,360	**3,297,908**	3,567,746	3,412,906

An analysis of investments forming greater than 5 per cent of the total is given in note 15.

	2011 Cost £	2011 Balance sheet value £	2010 Cost £	2010 Balance sheet value £
Stock investments	**3,295,360**	**3,297,908**	3,567,746	3,412,906
Cash held by brokers and Cash bonds	**219,567**	**219,567**	60,474	60,474
Total Fixed Asset Investments	**3,514,927**	**3,517,475**	**3,628,220**	**3,473,380**

Balance sheet values - Charity

Fixed asset investments:	2011 Cost £	2011 Balance sheet value £	2010 Cost £	2010 Balance sheet value £
Listed on:				
London stock exchange	**3,207,996**	**3,194,508**	3,480,382	3,314,593
Elsewhere	**87,364**	**103,400**	87,364	98,313
Unlisted	**2**	**2**	2	2
	3,295,362	**3,297,910**	3,567,748	3,412,908
Cash held by brokers and Cash bonds	**219,567**	**219,567**	60,474	60,474
Total investments	**3,514,929**	**3,517,477**	3,628,222	3,473,382

Income from Investments:-				
Listed on:				
- London stock exchange		127,545		116,312
- Bank and Other Interest		727		590
		128,272		116,902

Investment movements:- Group

	2011 £ Cost	2011 £ Balance sheet value	2010 £ Cost	2010 £ Balance sheet value
At beginning of year	**3,567,746**	**3,412,906**	2,809,769	1,874,568
(Disposals)/Additions	**(272,386)**		757,977	757,977
Disposal Proceeds	-	**(300,000)**	-	-
Loss on Disposal	-	**(4,321)**		-
Accrued Income	-	**4,073**	-	10,481
Net gain / (loss) on revaluation	-	**185,250**	-	769,880
At end of year	**3,295,360**	**3,297,908**	3,567,746	3,412,906

11 Stock - group

Stock amounting to £7,993 (2010: £64,560) is included in these figures which relates entirely to stock owned by the subsidiary undertaking.

12 Debtors

	Group 2011	Group 2010	**Charity 2011**	Charity 2010
	£	£	**£**	£
Trade debtors	**585,546**	500,602	**578,262**	480,895
Grants	**698,717**	599,936	**698,717**	599,936
Other debtors	**165,944**	111,398	**87,935**	87,574
	1,450,207	1,211,936	**1,364,914**	1,168,405

13 Creditors amounts falling due within one year

	Group 2011	Group 2010	**Charity 2011**	Charity 2010
	£	£	**£**	£
Trade creditors	**57,459**	29,166	**57,010**	26,860
Accruals	**168,465**	223,706	**116,927**	127,893
Pension costs	**30,242**	13,774	**30,242**	13,774
Other taxation and social security	**125,928**	99,655	**124,997**	119,852
Deferred income	**518,983**	735,314	**431,482**	690,313
	901,077	1,101,615	**760,658**	978,692

14 Reconciliation of movement in funds

	Group And Charity Funds - 2010	**Incoming / (Outgoing) resources**	**Transfer**	**Group and Charity Funds 2011**
	£	**£**	**£**	**£**
General reserves	4,623,318	(2,034)	-	4,621,284
Loss on sale of investment	-	(4,321)	4,321	-
Unrealised gains / (losses) on revaluation of assets	(165,321)	185,250	(4,321)	15,608
	4,457,997	**178,895**	**-**	**4,636,892**

All funds taken to the reserves at the year end are unrestricted and are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.

The General reserves represent the free funds of the Charity which are not designated for particular purposes.

The unrealised gains on revaluation of assets are represented by investments.

15 Analysis of investments – Group and Charity

The following individual investments form greater than 5 per cent of the investment portfolio:

Name of investment	**2011**	**2010**
	£	**£**
Legal and General European Index Trust	**474,009**	760,071
Legal and General US Index Trust	**317,176**	296,170
Charities Property Fund	**290,836**	284,489
Barclays Global Investors Charitrak Trust	**1,230,663**	1,095,244
Investec Ishares GBP Corporate Bonds	**631,428**	641,500
	2,944,112	3,077,474

16 Subsidiary Company

The Institute owns the whole of the issued ordinary share capital of NIESR Services Limited., a company registered in England. The subsidiary is used for receiving income from royalties, the sale of books and other trading activities. All activities have been consolidated on a line by line basis in the Statement of Financial Activities. The total net profit is covenanted to the Institute. The company has no direct staff costs and receives no management charge from the Institute. A summary of the results of the subsidiary is shown below. Sales and Royalties income have been included in Publications income in the Group Statement of Financial Activities and the associated costs included in Costs of generating funds – Publications.

	2011	2010
Turnover	£	£
Royalties	**130,268**	139,579
Sales	**21,847**	63,514
Other	**45,269**	26,288
	197,384	229,381
Cost of Sales	**(138,968)**	(121,907)
Gross Profit	**58,416**	107,474
Distribution and adminstrative expenses	**782**	(1,190)
	59,198	106,284
Interest receivable	**34**	72
Net Profit	**59,232**	106,356
Gift Aid Payable	**(59,232)**	(106,356)
Transfer to general reserves	**-**	-

The aggregate of the assets, liabilities and funds was:

	2011	2010
Assets	**183,546**	240,471
Liabilities	**(183,544)**	240,469
	2	2

17 Reconciliation of operating surplus/(deficit) to net cash flow from operating activities

	2011	2010
	£	£
Net incoming / (outgoing) resources before recognised gains / (losses)	**(2,034)**	12,551
Eliminate Investment Income	**(128,272)**	(116,902)
Depreciation charges	**11,651**	10,811
Decrease / (Increase) in stocks	**56,567**	(1,764)
Decrease / (Increase) in debtors	**(242,884)**	72,688
(Decrease)/increase in creditors	**(200,537)**	(15,959)
Net cash inflow/(outflow) from operating activities	**(505,509)**	(38,575)

18 Analysis of balances of cash as shown in the balance sheet – group

	2011	2010	Cash flow change in year
	£	**£**	**£**
Cash in hand, at bank	**343,552**	594,637	(251,085)
Cash held by brokers	**219,567**	60,474	159,093
	563,119	655,111	**(91,992)**

19 Financial Commitments

At the balance sheet date the group had entered into a foreign currency Euro forward contract and was committed to exchanging a total of 400,000 Euros at an exchange rate of £1 = €1.13, with 100,000 due to exchange in June 2011, 100,000 in June 2012 and 200,000 in June 2013. At the balance sheet date the fair value of this contract was a liability of £12,000, which has not been recognised in these financial statements.

Given the high level of transactions carried out in Euros, the forward contract was taken out to mitigate the risk of exchange rates moving against the group.

20 Provisions for Liabilities – Pensions

20.1. **Universities Superannuation Scheme:** The Charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension Scheme (S2P). The assets of the scheme are held in a separate trustee administered fund. The Charity, in common with other participants of the scheme, is unable to identify its share of the underlying assets and liabilities of the scheme. As required by FRS 17 “Retirement Benefits”, the Charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2008. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.4% per annum, salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion in line with recent experience) and pensions would increase by 3.6% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.1% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 4.3% per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 3.6% per annum. The valuation was carried out using the projected unit method.

At the valuation date, the value of assets of the scheme was £28,843 million and the value of the past service liabilities was £40,619 million indicating a deficit of £11,777 million. The assets therefore were sufficient to cover 71% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Using the Minimum Funding Requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 103% funded. At the valuation date, under the Pension Protection Fund regulations introduced by the Pensions Act 2004, the scheme was 107% funded.

The Charity’s contribution rate required for future service benefits alone at the date of the valuation was 14% of pensionable salaries but USS, on the advice of its actuary, decided to increase the Charity’s contribution by 2% to a rate of 16% of pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the Charity’s future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a “last man standing” scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial Valuation was due as at 31 March 2011 when the contribution rate was to be reviewed as part of each valuation. The details of this re-evaluation are expected in Autumn 2011. The total USS pension cost for the Institute was £180,877 (2010: £167,449). The contribution rate payable by the Institute was 16% of pensionable salaries.

20.2. ***NIESR Retirements Benefits Plan:*** This scheme is a closed scheme to new employees and is a plan managed by The Scottish Provident Institution. Policies are held by the individual under this plan. There are currently three members of the plan who are employees of the Institute. The contribution rate payable by the Institute was 16% of pensionable salaries. This is levied as an annual premium. The total NIESR Retirements Benefit plan cost for the Institute was £13,740 (2010: £12,970)

20.3. ***Other Personal Pension Plans*:** Contributions are calculated on pensionable salary and are payable to Personal Pension Plans entered into by employees who have opted for that choice. Sums paid into these schemes amounted to £77,179 (2010: £78,472).

20.4. ***Former Scheme***: An amount of £15,475 (2009: £19,344) is held to meet the contractual obligations, based on a prudent appraisal by the trustees. A total of £3,869 was paid out in the year.

Director's Report

October 2011

It has been an eventful and exciting year for NIESR in all sorts of ways - our research, its impact on the public debate, and for the institution itself.

Research

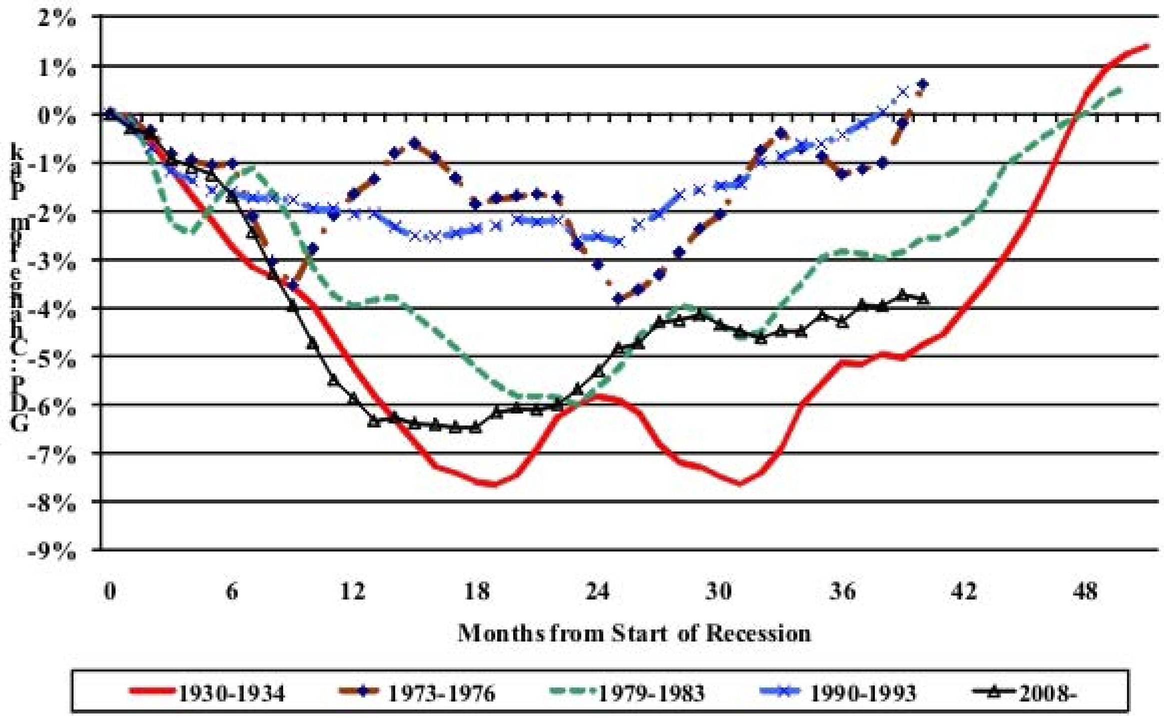
Macroeconomic and fiscal policy

The central political and policy issue in the UK over the last year has been macroeconomic policy, and in particular the debate about the magnitude and timing of fiscal consolidation. Not only has NIESR played a central role in this debate, but since NIESR, unlike any other independent research institute, produces detailed macroeconomic forecasts, NIESR's record in this respect can be assessed objectively. Key achievements here include

- providing macroeconomic forecasts that have consistently been more accurate than that of the Treasury/Office of Budget Responsibility, Bank of England, IMF or OECD.

- providing timely and accurate analysis both of the stance of fiscal policy and the impact of fiscal consolidation.

See for example http://www.niesr.ac.uk/pdf/201010_104023.pdf , summarising the much more detailed forecast and analysis published in the quarterly National Institute Economic Review, http://ner.sagepub.com/content/214/1.toc.] NIESR's "recession" chart has been reproduced in numerous publications, including highly influential ones such as the Economist, FT, Stephanie Flanders' blog, etc.



In particular, NIESR's consistent views that

- the pace of fiscal consolidation was too fast, and would weigh heavily on growth
- while the risk of excessive borrowing leading to market crisis was hugely exaggerated

have largely been vindicated, as growth has proved substantially weaker than forecast, even before recent events in the eurozone and US; while long-term interest rates are extremely low, reflecting, as NIESR analysis has shown, low expectations for future growth rather than improved confidence. NIESR commentary on these issues has been widely circulated and favourably cited internationally as well as in the UK; notably, for example, by Paul Krugman, whose economics blog is probably the most widely read in the world.

Financial regulation

NIESR has also undertaken a major programme of work on the macroeconomic costs and benefits of financial regulation. This was summarised in an article by Ray Barrell in the April 2011 Review here
http://ner.sagepub.com/content/216/1/F4.full.pdf+html

NIESR research established two key points:

- that increased bank capital requirements would reduce the probability of financial crises;
- that the impact of increased capital requirements on economic growth would be negative, but small.

Both these findings have been hugely significant in the policy debate here and internationally, with NIESR's research, analysis and methodological approaches being cited and used by, among others, the Bank for International Settlements, the Financial Services Authority, and the Independent Commission on Banking.

NIESR's influence is magnified by the fact that it is widely recognised as independent, objective and non-partisan; as also set out in the October 2010 Review, it was NIESR's view that the fiscal policy of the previous government was significantly too loose.

Microeconomic and social issues

On microeconomic issues, NIESR continued to contribute to the evidence base on the impact of the minimum wage (NMW) with the highly policy relevant finding that the NMW had no impact on youth unemployment http://www.niesr.ac.uk/pdf/130411_93757.pdf ; and on migration, with research on the impact of labour mobility in the EU, which found that the UK had probably benefited from restrictions imposed by other countries, but the overall impact on GDP per capita and unemployment was small. http://www.niesr.ac.uk/pdf/030511_103443.pdf

This and other reports on migration issues were widely reported.

We continue to do a great deal of work on other labour market and employment issues, ranging from Alex Bryson and John Forth's on aspects of workplace organisation, to Hilary Metcalf and Heather Rolfe's work on equality and diversity, to Rebecca Riley and Helen Bewley's on the impact of the introduction of Jobcentre Plus. It is a continuing priority for me to ensure that this and similar high-quality work gets the public attention it deserves.

Events

We continue to host numerous and diverse events. As well as our regular Employment seminar series, and the Westminster Economics Forum, it is worth noting our successful and well-received private seminars on growth for Ed Balls (Shadow Chancellor) and Vince Cable and David Willetts (Secretary of Sate and Minister of State at the Department of Business, Innovation and Skills; and an evening lecture by Tim Hatton, Professor of Economics at the University of Essex, on asylum policy in Europe.

Organisation, staff and funding

Staff

This year saw the departure of Ray Barrell, who had been at NIESR for over two decades, most recently as Acting Director before my arrival. I cannot exaggerate how much NIESR owes Ray; our macroeconomic and forecasting work, in particular, simply would not exist in its present form without him. I am also personally very grateful for his excellent job as Acting Director and for his help and support in my first few months here. We wish him the very best in his future career at Brunel.

We also lost Justin Vandeven and James Mitchell, both to excellent academic positions - the both will be sorely missed, although I know they intend to continue working on NIESR projects and with NIESR collaborators, so they will remain part of the extended family. Apart from me, we have several new more junior recruits: Mumtaz Lalani, Paolo Lucchino, Chiara Rosazza-Bondibene and Stephan Le Roux, all of whom have already demonstrated their abilities and keenness to contribute. Andreas Cebulla, formerly of the National Centre for Social Research, has also joined us as a (semi-resident) Visiting Fellow; and finally, and most recently, Angus Armstrong joins us from the Treasury as Director of Macroeconomic Analysis. As well as macroeconomic and financial issues, Angus, who recently completed his PhD at Imperial, has a particular interest in the financing of social programmes for disadvantaged children, so his work crosses over a number NIESR research themes.

Funding

Despite the reduction in government research and evaluation projects, NIESR's funding base and financial position remain strong. We continue to have a high success rate in tendering for projects, reflecting our selectivity in what we do and our continuing resolve to compete on quality rather than price. Notable future projects include a large, multi-year contract for subnational economic analysis (for the Department for Business, Innovation and Skills) and (with several partners) the evaluation of the Work Programme, the government's flagship labour market programme.

Conclusion

So, overall, a very eventful year; topped off in October by NIESR winning Prospect's "Think Tank of the Year" Award, here:

http://www.prospectmagazine.co.uk/2011/10/prospect-think-tank-awards-winners-announced/

As I said when receiving the award "I am delighted with this award, which reflects the work not just of current NIESR staff but also my predecessors, Martin Weale and Ray Barrell, who was acting director for much of this year. Throughout these difficult economic times, NIESR's contribution to the public debate has been to emphasise that economic and social policy should be based on robust, empirically-based economic research and evidence. We look forward to continuing to produce and disseminate such research in the hope that it will lead, directly or indirectly, to better policy and better outcomes."

Jonathan Portes

Director