BRE TRUST

England & Wales · Charity number 1092193

Details

Other names	FOUNDATION FOR THE BUILT ENVIRONMENT
Status	Registered
Legal form	Charitable company
Company number	03282856
Registered	2002-05-24
Register	View on the Charity Commission register

Contact

Address	Bucknalls Lane Watford Hertfordshire WD25 9NH
Phone	01923 665168
Email	sarah.realmuto@bregroup.com
Website	www.bretrust.org.uk

Activities

Objects: 2. Objects2.1 The objects of the Charity are:2.1.1 to undertake, commission and support research in areas of science, engineering, information technology, management and economics associated with the built environment, including its processes and artefacts,2.1.2 to advance knowledge, innovation, and communication, and to promote education and excellence, in all such matters, and to collect, collate and publish useful information ideas, and data relating thereto, and2.1.3 to undertake, commission, facilitate and support such other activities and services as are beneficial to the built environment and charitable in law in accordance with the law of England and Wales provided that it will not include any purpose which is not charitable in accordance with s.7 of the Charities and Trustee Investment (Scotland) Act 2005. For the avoidance of doubt, the system of law governing the constitution of the Charity is the law of England and Wales.

Activities: Funds and supports research, education, publications and other activities in the built environment for public benefit. Awards post graduate research scholarships and supports university chairs.Commissions, facilitate and supports carbon emission reduction projects and such other activities and services as are beneficial to the built environment.

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Scotland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£64,804,000	£58,391,000	£13,876,000	597
2024-03-31	£59,925,000	£55,705,000	£8,859,000	0
2023-03-31	£59,780,000	£54,916,000	£9,997,000	0
2022-03-31	£59,639,000	£50,792,000	£6,565,000	548
2021-03-31	£52,292,000	£49,704,000	£-14,758,000	558

Trustees

Name	Role	Appointed
Philip Wilbraham	Chair	2018-06-07
Ashley Mark Hook		2020-03-18
DAVID PETER BURRETT REID		2023-04-24
Gary Mills		2023-03-13
Jonathan Graeme Rickard		2019-06-03
Kelly Louise Bream		2023-04-24
Linda Margaret Chandler		2023-07-06
Victoria Denise Pope		2019-06-03

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BRE TRUST

England & Wales - Charity number 1092193

Accounts

BRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 MARCH 2025

SATURDAY

A10 15/11/2025 #207
COMPANIES HOUSE

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

BRE TRUST

FINANCIAL STATEMENTS
For the year ended - 31 March 2025

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Registered office:	Bucknalls Lane Garston Watford Hertfordshire WD25 9XX
Bankers:	Barclays Bank PLC 1 Churchill Place London E14 5HP
Independent Auditors:	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR

BRE Trustees' Report

The Council of Trustees has pleasure in presenting its report together with the Audited Financial Statements for the year ended 31 March 2025.

Objects and activities

As a charity all the Trust's activities must at all times conform with the statement of 'objects' given in the governing documents, the Articles of Association.

The Trust's objects are for the public benefit:

- to undertake, commission and support research in areas of science, engineering, information technology, management and economics associated with the built environment, including its processes and artefacts;
- to advance knowledge, innovation, and communication, and to promote education and excellence, in all such matters, and to collect, collate and publish useful information, ideas, and data relating thereto; and
- to undertake, commission, facilitate and support such other activities and services as are beneficial to the built environment and charitable in law in accordance with law of England and Wales provided that
- it will not include any purpose which is not charitable in accordance with s.7 of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission which is being met using the Investment Committee.

Structure, governance and management

BRE Trust (the "Trust") is a company limited by guarantee (Company number 03282856) and is registered as a charity in England and Wales (No 1092193) and in Scotland (No SCO39320). The Trust was established to provide independent, non-sectorial ownership of the Building Research Establishment, an Executive Agency of the Department of the Environment, when it was transferred to the private sector in March 1997. The Trust is governed by its most recent Articles of Association which were approved by a meeting of members on 6th March 2019. In addition, the Trust provides independent ownership of BRE Group Limited ('BRE Group') which in turn is the owner of businesses resulting from the privatisation of the Building Research Establishment. The Trust protects the independence of BRE Group to ensure that its advice and research remain objective and free from bias. BRE Group continues to have a strong reputation, both nationally and in the international arena, as an impartial and respected consultancy, science and research organisation.

BRE Group Limited is the holding company for Building Research Establishment Limited, BRE Global Limited which are established in England and Wales and BRE Global Assurance (Ireland) Limited, a company established and resident in the Republic of Ireland. These subsidiaries in turn are owners of other trading companies in the UK and the People's Republic of China.

This ownership structure means that:

- BRE Trust has the flexibility, freedom and separation from its investments to promote and carry out its charitable objectives for the public good; and
- BRE Group and its subsidiary companies can maintain independence from each other to meet regulatory requirements.

Trustees and Officers of the Charity

The governing body of the Trust is its Council of Trustees which comprises at least five and no more than ten Trustees at any one point in time. The Directors of the company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the "Trustees".

The term of office for a Trustee is three years and Trustees may serve for three terms. New Trustees are familiarised with the workings of the Trust, its policies, procedures and governance through an induction programme consisting of visits to the head office, meetings with key personnel and officers of BRE Group together with more formal training including ongoing training and support.

The Trustees and Officers serving during the year and up to the time of signing these accounts were as follows:

Trustees	Appointed	Resigned
Philip Wilbraham (Chairman)	7 June 2018	
Ashley Hook	18 March 2020	
Gary Mills	29 March 2023	
Prof. Vicky Pope	3 June 2019	
Jonathan Rickard	3 June 2019	
David Reid	30 June 2023	
Kelly Bream	30 June 2023	
Linda Chandler	6 July 2023	
Company Secretary		
Ashley George Thompson	30 October 2023	

Board Tenure, Gender Diversity and Meetings

As at 31 March 2025, the tenure and diversity of the Trust board was as follows:

Tenure		Gender Diversity	
< 1 Year	0%	Female	33%
1-3 Years	56%	Male	67%
3-6 Years	44%		

The Board met 4 times in 2024/25, on the 29 April 2024, 29 July 2024, 6 November 2024 and 28 January 2025.

Executive Staff

The Trustees have delegated certain operational management of the Trust's affairs to Ian Shapiro, the CEO of BRE Group, who in turn delegates all operational functions to the BRE Group. BRE Group continues to provide support to the Trust to assist in the day-to-day management of its activities. Ashley Thompson provides legal and governance support to the Trustees.

Governance Framework

The Trust has adopted the Charity Governance Code for Larger Charities as the basis for its governance. The Code sets the principles and recommends good governance for charities. The Trust measures itself against the seven principles and the recommendations and guidance they provide to ensure the continuous improvement and highest standards of governance.

Governance Framework (cont.)

The Board of Directors of BRE Group is made up as follows:

Director	Position	Appointed	Resigned
Philip Wilbraham	NED	1 April 2022	
Gillian Charlesworth	CEO	21 May 2019	9 September 2025
Vinodha Soysa Wijeratne	CFO	15 December 2022	7 November 2024
Paul Hetherington	NED	16 May 2022	
Jennifer Lynn Rudder	CFO	24 July 2025	
Ian David Shapiro	CEO	9 September 2025	

Director appointments to the BRE Group Board are made by both the Trustees and BRE Group, the majority of the Directors at any one time being those appointed by the Trust. The BRE Group Board meets at least 4 times each year.

Standing Committees

The BRE Trust Council delegates some of its work to committees and the committees report to the Council their discussion, actions and recommendations. There are three committees of BRE Trust at the time of signing this report:

- Risk and Audit Committee
- Investment Committee
- Remuneration and Nominations Committee

In addition, BRE Group which is a wholly owned subsidiary of BRE Trust has two standing committees, a Risk and Audit committee and a Remuneration and Nominations committee. These committees are closely aligned with the BRE Trust committees, details of which are set out below.

BRE Trust Risk and Audit Committee and BRE Group Risk and Audit committee:

The Trust's Risk and Audit Committee supports the Trust Board's responsibility for oversight of risk management, the control environment, policy review and the integrity of financial statements and reporting. It seeks assurance from the BRE Group Board on the sound management of its investments. The committee membership consisted of Paul Hetherington, Linda Chandler, Jonathan Rickard and Chair Gary Mills and includes at request attendance from members of the Group Board.

BRE Group Risk and Audit committee is responsible for oversight of both the external audit work as well as looking at the internal financial controls, internal controls, and risk management system across the BRE Group.

The BRE Group and BRE Trust Risk and Audit Committee met 4 times during the year, on 15 April 2024, 26 July 2024, 25 October 2024, and 24 January 2025.

BRE Trust Investment Committee:

The Investment Committee was formed in February 2023 and approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching. The key activities are the review of progress with the programmes, review of the operations processes, review of the relevant risks and communications and promotions of the programme.

The Investment Committee membership consisted of Vicky Pope (Chair), Ashley Hook, Linda Chandler, Kelly Bream, Phil Wilbraham, Paul Hetherington, Jonathan Rickard, David Reid and Gary Mills. The Committee met 4 times during the year on 29 April 2024, 29 July 2024, 6 November 2024 and 28 January 2025.

BRE Remuneration and Nominations Committee:

The BRE Remuneration and Nominations Committee manages the appointment of new Trustees and reviews the roles and responsibilities of both Trustees and the Chair of Trustees and is responsible for advising the Board on the remuneration and conditions of the executive directors of the Group. In determining appropriate levels of remuneration for the executive directors, the Remuneration and Nominations Committee aims to provide packages that are competitive in the marketplace and will attract and retain high quality executives capable of achieving the BRE Group's objectives and ultimately those of the Trust. Executive pay is externally benchmarked using Brightmine data. Our remuneration approach is to aim to pay market salaries whilst considering the total cash compensation for executive roles which balance affordability with attracting and retaining the talent that we need.

The committee members during the financial year were Ashley Hook (Chair), Paul Hetherington and Kelly Bream.

Strategic Report

Introduction

BRE Trust is the leading independent charity dedicated to improving the built environment for the benefit of society. BRE Trust supports this aim by bringing the benefits of applied research to key sectors in the built environment.

BRE Group is a 'profit-for-purpose' organisation, wholly owned by BRE Trust. It provides services, all of which in themselves fulfil the Trust's objects, the surplus from which funds the BRE Trust. The work of the BRE Group is focused on the safety, security and sustainability of buildings through setting standards, providing certification, modelling data and developing skills in the industry.

BREEAM and LPCB are two of the most significant services that BRE offers. BREEAM is a world-renowned sustainable building benchmarking scheme. LPCB is internationally recognised for its standards in the fields of security and safety of construction products and systems. BRE Group also provides systems to monitor health, safety and construction waste, as well as training through the BRE Academy. The Group has provided research and data modelling services to UK government for many years and continues to do so for housing data and methodologies that support the standard assessment procedure underpinning Energy Performance Certificates (EPCs). The Group continues to deliver a range of research – and it is this, and innovation, that form the basis of the Group's future strategic direction.

Purpose and Vision

- BRE exists to contribute to a thriving and sustainable world by developing science-led solutions to built environment challenges

Our vision is to be:

- The world-leading innovation, science, and data hub for the built environment

We continue to work with governments and commercial markets who increasingly recognise the value of our products and services, given the growing significance of safety and sustainability issues in the built environment. Our focus is on increasing our reach as an innovative, science-led organisation with capabilities in collecting, verifying and modelling data to assist product and construction companies, owners and occupiers in decision making and reporting.

Achievements and performance

External climate

Sustainability in every sense of the word is undeniably a driver for many of our commercial clients. There is an increasing understanding of the risk to long-term sustainable value of built assets and the need to comply with a raft of regulatory and legislative requirements, many of which ESG data support. Global standards, largely but not exclusively led by the financial sector, compete to measure the value, performance and potential of individual properties and portfolios.

Building and product safety legislation and regulation is evolving in the UK with the Building Safety Act making significant changes to the context in which buildings are designed, constructed and managed. We continue to assess where our expertise in testing, third-party certification and training can make the most valuable contribution to making buildings safer in the future, as the new regulatory regime for building safety in England and Wales evolves.

BRE Group values its relationships with all key stakeholders including the UK Government and the devolved Governments of the UK, with issues such as climate change, the economic and social impact of unhealthy homes and building safety continuing to achieve significant public and media attention. We will continue to conduct research and collaborate with all partners and policy makers to ensure future policy is well informed, evidence based and able to foster public confidence in the built environment.

BRE Trust Achievements and performance

The BRE Trust uses its reserves and any income received both through gift aid donated by BRE Group and from other external resources to fund new research and education programmes.

BRE Trust did not undertake any fundraising activity requiring disclosure under S162A of the charities Act 2011.

BRE Group achievements in FY24-25 and future opportunities:

Financial Review

The consolidated results for the BRE Trust show a net surplus before tax of £7.1m (2024: £3.6m) for the year on income from charitable activities of £61.9m (2024: £57.4m). Income from charitable activities increased by 7.8% compared to the previous year, there were increases in our Building Performance Services division. There was an increase in total income of 8.2% while minimising cost increases but general inflation, energy costs and additional legal costs have led to a 5.4% increase in expenditure on charitable activities.

The site has undergone a desktop review of the site valuation at the year end. This resulted in a gain on investment properties of £0.7m as there was a small increase in the market value of the investment properties. The property held as fixed assets for BRE's use has increased in value by £0.5m.

During the year, it has come to light that the actuarial valuation of the defined benefit pension scheme, which is closed to future accruals, undervalued the liabilities in the year ended 31 March 2021, due to the uncertainties inherent in the Covid pandemic. This has been recognised as a prior year adjustment, and the effects are detailed in Note 22 on page 49,

The pension scheme valuation shows a decrease in liabilities on the restated comparative valuation. As of 31 March 2025, the scheme actuaries valued the deficit at £35.2m compared to £38.5m (as restated) in the previous year. The main factors contributing to this are that the actual investment return achieved was better than that required to match the expected increase in obligations and the actual inflation over the year was lower than previously assumed, however this is partially offset by the contributions paid by the company over the year. There was no full actuarial valuation in this year.

Overall, the movement on funds includes net income of £7.1m, the gain on revaluation of the site of £0.5m and the actuarial gain of £1.9m means that BRE Trust now has funds of £13.9m as at 31 March 2025 increasing the funds available from 31 March 2024 of £4.4m (restated).

Business divisions and markets

Building Performance Services (BPS) is a portfolio of products and services incorporating BREEAM, SmartWaste, YellowJacket, Sustainable Products and the BRE Academy. All are the subject of further development as part of the digital transformation that is taking place across our portfolio of products and services. Revenue for BPS for 2025 was £31.4m (2023/24 £28.6m).

BREEAM is well regarded as being based on science, and rigorous in its approach. The BREEAM revenue at the year to 31 March 2025 was £24.7m (2024: £21.6m). Preparation continued during the year for the launch of a digital platform for BREEAM as well as Version 7 of BREEAM New Construction (V7) both of which will improve the customer experience of the schemes, enable enhanced data collection and reporting and provide a platform for further enhancements.

BRE Academy is a respected and integral part of BRE, with a longstanding reputation for delivering high-quality training. It has consistently contributed to the organisation's revenue and profitability.

In 2024/25, the Academy expanded its training portfolio with the introduction of a BREEAM CPD rolling programme and the launch of seven new courses across BIM and Fire & Safety. Despite this growth, revenue declined to £3.0m (from £3.5m in 2023/24), primarily due to reduced enrolments in BREEAM and Fire-related training. These decreases reflect changing market behaviours, increased competition, and anticipation surrounding the release of BREEAM Version 7.

Looking ahead to 2025/26, our focus is on delivering high-quality, targeted training solutions designed to meet evolving industry expectations, addressing the direct challenges of 2024/25. We will continue to strengthen partnerships with organisations such as CITB and collaborate closely with industry bodies and stakeholders to ensure our training remains relevant, impactful, and aligned with market needs.

Assurance Services

The Assurance division provides product testing, inspection and certification services to customers and comprises several business units with specialisms in Fire Protection, Fire Detection, Security, Cables and the Built Environment.

The performance of individual products through to whole buildings is tested through BRE's extensive range of test facilities, and BRE provides independent certifications to LPS and other key standards through the Loss Prevention Certification Board (LPCB) brand. Certified products are audited periodically and are listed in the GreenBook and RedBook Live directories.

Revenue for our Assurance division was £22.3m in 2024/25 (2023/24 £21.5m).

The Innovation and Research division leads our research and innovation activities, ensuring that BRE provides impactful thought leadership in pursuit of our purpose. The research and innovation strategy is central to our purpose to provide solutions for built environment challenges. The revenue for 2024/25 was £7.5m (2023/24 £6.5m).

Income is generated by Housing, Energy and Strategic Advisory teams which work with governments internationally to deliver a range of technical services for national net zero policy compliance methodologies This includes research for current and future regulatory compliance for the energy efficiency of buildings.

The Housing and Energy teams have focussed on core activity with UK Government departments, DESNZ and MHCLG with the continued delivery of the multi-year English Housing Survey and Standard Assessment Procedure (SAP) programmes. Our Housing and Health team continued to deliver modelling for local authorities indicating residential dwellings areas most closely linked with ill health, work that is central to our purpose and will continue. 2024 saw the publication by BRE of a follow up report on 'Ignoring the Cost of Poor Housing' which highlighted remediating England's poorest housing could provide £135billion in societal benefits.

The Strategic Advisory (Consultancy) is a binding part of the BRE business, building relationships and engaging (internally and externally) to collaborate on research - path finding solutions and developing future products (Buildaudit), supporting the adoption of innovation (RetroNetZero) and delivering services and solutions accelerating the decarbonisation of the built environment.

International Activities: we currently provide services in 100 countries selling mainly BREEAM and LPCB services as well as some advisory products. The target markets for BREEAM are Commercial Real Estate, Construction, Public Sector, Manufacturing and Finance. Those for LPCB are fire, security, and construction product manufacturers, as well as Construction and Infrastructure companies, construction product installers and governments.

BRE has 3 satellite offices; in San Francisco covering North America, in Shanghai covering China, and in Dublin covering Ireland and Europe.

Our channel framework includes partners covering Norway, Sweden, Spain, Germany and the Netherlands known as our National Scheme Operators and we are open to expanding this valued network to enable the impact of BREEAM certification in more territories. During 24-25 we invested a great deal of time and attention in our assessor relationships and other partnerships. These relationships are critical in ensuring the continued strength of our third-party assessment methodology for BREEAM.

Our People

Over the past year, our people strategy has continued to support strong organisational performance, with a particular focus on productivity, engagement, and employee wellbeing. Our 12-month rolling attrition rate remained low at 9.5%, reflecting a stable and committed workforce.

We conducted our annual engagement survey, which was completed by 76% of colleagues. Of the responses received, 67% were positive (against a UK average engagement of 10%), indicating a generally high level of satisfaction and alignment with our organisational values and direction.

Our strong financial results were underpinned by a sustained emphasis on performance management and productivity. Through our performance management software, we recorded over 5,250 structured conversations

between managers and team members, alongside 2,500 pieces of feedback. These interactions have played a key role in fostering a culture of continuous improvement and accountability.

We adopted a cautious approach to recruitment, choosing not to replace all leavers on a like-for-like basis. This strategic decision contributed to higher productivity, improved profit margins while maintaining service quality. We also made inroads into shifting the skills base of our workforce, recognising advances in technology and digital tools.

To enhance the employee experience, we successfully implemented a new HR self-service platform. This system has streamlined access to HR services and empowered colleagues to manage their own employment information more efficiently.

We also made significant progress in advancing gender equality, reducing our Gender Pay Gap from 12% to 8%. This improvement reflects our ongoing commitment to creating a more inclusive and equitable workplace.

Our Colleague Forum was strengthened through the introduction of new Terms of Reference and a formal election process. This enabled Forum members to play a more active role in organisational governance, including valuable participation in the search for a new Chief Executive Officer.

Employee wellbeing remained a priority throughout the year. Sickness absence levels were consistently below the national average, indicating strong overall health and wellbeing across the workforce.

Finally, we responded proactively to changes in employment legislation. Notably, we delivered organisation-wide training on preventing sexual harassment, ensuring that all colleagues are equipped with the knowledge and confidence to contribute to a safe and respectful working environment.

Responsible business

Responsibility, one of our values, is at the heart of our purpose, and we seek to apply a responsible business ethos to every aspect of our business, whether by setting challenging energy performance goals for ourselves, contributing our expertise to the development of public policy, playing our part in our local community through volunteering, or ensuring that equity, diversity and inclusion are embedded in all our practices. Our long-term aim is to achieve B Corp status. As part of this we are measuring and reporting on the impact we're making and have published our first Impact Report in 2025 covering both our own operations and the impact we make in partnership with customers and partners.

BRE Sustainability

Last year we launched our new Sustainable Built Environment Strategy that outlines our environmental ambitions to 2030 not only for ourselves but for our customers, partners, suppliers, and our wider community. Our responsible business team, supported by all areas of the business, monitors and reports on the impact of our operations. This year, we maintained zero non-hazardous waste to landfill, increased our recycling rate, worked with internal and external stakeholders to prepare our new biodiversity action plan for the Science Park, and conducted a commuting survey to help identify opportunities that may improve commuting experiences and support more sustainable travel habits.

Our water consumption slightly increased in comparison to last year's performance but remains on track towards achieving our 2030 goals. We had two major leaks throughout the year that contributed to the increase. Our energy consumption, both electricity and gas, increased in comparison to last year but we are not far off track from our 2030 emissions goals. These increases are likely due to a combination of factors such as slightly cooler temperatures, increased testing, or temporary industrial electric heaters. We are continuing to upgrade submeters and communication systems for improved monitoring that supports more targeted interventions and building user engagement around reducing energy use and emissions.

Beyond our built environment work with customers and our wider community, other environmental projects and related colleague activities this year include:

- Organisation wide carbon footprint screening exercise for Scope 1, 2 and 3 emissions using the Greenhouse Gas (GHG) Protocol corporate accounting and reporting standard.
- Monthly Sustainability Colleague Network sessions with on average 39 colleagues. This year's topics included: reducing plastics waste; carbon impact of transport; community action to increase reuse; Earth

Overshoot Day by country; overconsumption during major sporting events and example solutions; sustainability of information and communication technology; biodiversity; climate change and COP29 conclusions; impact of household energy efficiency improvement measures; and global water scarcity and flood risks.

- Monthly research and innovation knowledge sharing sessions such as the importance of built environment product design and testing for mental health.
- Collectively walking over 10,000 miles during our April/spring 'walk to work' and October 'walk to Biodiversity COP16' initiatives, which also included biodiversity awareness raising through a nature photo competition.
- Company-wide festive quiz (in-person and online) with themes from our five colleague networks: sustainability, LGBTQ+, women, race and neurodiversity.
- A new composting area that enhances how we manage our waste.
- ISO 14001:2015 environmental management system recertification.
- Ongoing colleague benefits such as hybrid and remote working to increase flexibility and reduce commuting.
- Participation in the UN Sustainable Development Goals (SDG) flag campaign to raise awareness.

Streamlined energy and carbon reporting (SECR)

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Reporting) Regulations 2018 ("the 2018 Regulations") require us to disclose our annual energy use and greenhouse gas emissions. We have always carefully monitored our energy use and taken steps to reduce our use of energy and minimise our greenhouse gas (GHG) emissions.

We commissioned an independent report from a building services consultancy to analyse the energy and emissions data from our UK activities for the 12 month period to 31 March 2025 and compare results with previous periods. The methodology used is based on the Greenhouse Gas Protocol Corporate Standard 2015. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are indirect emissions (not included in scope 2) that occur in the value chain. Carbon calculations are made from energy usage data and business travel activity, including employee expense claims for miles travelled. Location-based conversion factors are applied using the most recent update of the UK Government GHG Conversion Factors for Company Reporting.

Table 1 - Energy use and greenhouse gas emissions data

		2024/25		2023/24		2022/23	
Emissions	Source	MWh	tCO_2e	MWh	tCO_2e	MWh	tCO_2e
Scope 1	Natural gas and fuel used in transport[1]	5,969	1,092	5,202	952	6,034	1,101
Scope 2	Purchased electricity	3,105	643	2,840	588	3,970	768
Scope 3	Business travel and electricity transmission and distribution losses	276	124	325	129	503	190
Total scope 1 and 2		9,074	1,735	8,042	1,540	10,004	1,869
Total scope 1, 2 and 3		9,350	1,859	8,367	1,669	10,507	2,059
Floor area (m^2)		27,036		27,036		27,036	

EmIR ($kgCO_2e/m^2$)	68.7	61.7	76.2
EIR scope 1 and 2 (kWh/m^2)	335.6	297.4	370.0
EIR scope 1, 2 and 3 (kWh/m^2)	345.8	309.5	388.6

[1]One company-owned plug-in hybrid electric vehicle

Intensity ratios can be used to compare overall emissions data with an appropriate business metric, such as revenue or floor area, to further enable comparison over time and create benchmarks. As most of our energy is used in the buildings that we occupy, we have selected an energy intensity ratio of kWh/m^2. BRE Science Park consists of numerous buildings occupied by BRE and tenants. Tenanted spaces were deducted from the overall floor area giving a total of $27,036m^2$.

Our ratios this year are around 12% higher than the last financial year. Relevant activity over the last year is presented in the previous section on 'BRE Sustainability'. We will continue to monitor our environmental impact and identify opportunities for improvement.

Pension Scheme

The FRS102 pension scheme deficit relates to the BRE and LPC Pension Scheme which is the former defined benefit pension scheme operated by Building Research Establishment Limited (BRE Ltd) a subsidiary of the Group.

During the year, it has come to light that the actuarial valuation of the defined benefit pension scheme, which is closed to future accruals, undervalued the liabilities in the year ended 31 March 2021, due to the uncertainties inherent in the Covid pandemic. This has been recognised as a prior year adjustment, and the effects are detailed in Note 22 on page 49.

The deficit decreased during the year to £35.2m (2024: £38.5m as restated) further details of which are set out in note 19 to the financial statements. This decrease in the scheme deficit is in part due to the actual return achieved on assets being higher than required to match the expected increase in the defined benefit obligations and the actual inflation over the year being lower than was previously assumed. The Directors of BRE Ltd consider that since the Company is able to meet all of its short and medium term liabilities, and the nature of the pension scheme deficit is long term, that this does not impact on the Trust as a going concern.

Reserves Policy

BRE Trust has a reserves policy which requires it to maintain reserves at a level equivalent to total committed contract value plus three months of operating costs. This enables the BRE Trustees to manage financial risk and short-term income volatility. Free reserves available for use exclude restricted funds and the fixed assets held as unrestricted funds. Free reserves also exclude any long-term liabilities, and any deficit reported on the pension scheme. Should other funding not be received, the cash reserves should be used to pay committed contracts incurred defined by the notice period of the contract.

At 31 March 2025, committed contract value was £nil and three months operating costs were forecast at £6k which total £6k. BRE Trust has cash of £2.8m to meet these commitments and the excess cash of £2.8m is reflected in net reserves meaning that minimum reserves were being maintained. An investment committee approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching.

The BRE Trustees will review the group reserves each year to assess the value of the reserves required to be held in cash and cash equivalents that are not restricted to any particular purpose. During the year, the Trustees reviewed the total reserves, the operating costs of the Trust and the commitments under long term contracts and have ceased to enter into new long-term commitments pending a full review of the BRE Trust structure and governance model. The Investment Committee approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching. The key activities are the review of progress with the programmes, review of the operations processes, review of the relevant risks and communications and promotions of the programme.

Free reserves	2025 £'000	2024 (restated) £'000
Total unrestricted funds	12,813	3,952
Add: Pension liability	35,259	38,521
Net unrestricted funds	48,072	42,473
Less: Unrestricted fixed assets	(18,563)	(19,308)
Total free reserves	29,518	23,165
Represented by:		
Net current and intangible assets	21,606	16,49
Investments	9,235	8,522
Provisions	(1,323)	(1,856)
Total free reserves	29,518	23,165

The net movement in unrestricted funds in the year was an increase in the unrestricted funds of £8.9m (2024: decrease of £0.8m). This due to a decrease in the pension liability of £3.3m as restated (2024: increase of £4.1m) and a gain on revaluation of fixed assets of £0.5m (2024: £0.9m) and net income of £7.1m (2024: £3.6m). The BRE reserves policy is to maintain reserves at a level equivalent to total committed contract value plus three months of operating costs (2025: £15.3m), therefore the reserves are within policy.

Future developments

BRE is continuing to invest heavily in digital development both for our delivery to customers and our internal systems and processes. This will significantly enhance customer satisfaction, our growth strategy and the speed at which we can continue to improve our products and services to meet market demand.

Going Concern

BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the significant improvement in the level of reserves, excluding pension impact, and the net surplus of £7.1m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, as well as the budgets for 2027 and 2028 and the cashflow projections for the Trust and BRE Group.

The management team have reviewed the current financial position and the business planning document including budget for the next 3 years. The various revenue streams have been analysed to identify the secured income from committed contracts, run rate of repeated business, price increase, growth ambitions and new strategies. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the level of risk to income by analysing revenue secured through committed contracts, revenue from ongoing long-standing client relationships and where the revenue is more uncertain.

The cost base has also been analysed to consider risk around inflation, staff related cost increases and overheads. We are closely monitoring our cost and reviewing our sourcing to make it more cost effective and efficient. Details of the BRE Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan designed to get the scheme to self-sufficiency by 2037.

The management team have identified the key financial risks to the budget and undertaken a sensitivity analysis of these to understand the risk and opportunities to ensure the financial position being projected is robust.

BRE's Group cash position of £10.9m at the end of March 25 is an increase of £0.1m on March 24 of £10.8m. The full year positive profit contribution was largely offset by significant capital investment of £5.3m.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank remains in place. This facility, along with the cash reserves held by the Group will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and BRE Group over the next 12 months and in the medium term.

The forecasts for the current financial year and the budgets for 2027 and 2028 have been set out as the base case for the organisation. They include the impact of known capital expenditure as well as provision for some potential risks of assets needing replacement. The review has included sensitivity analysis around the main identified areas of income risk to ensure that the Company would still be able to operate sustainably for the foreseeable future if these risks did materialise.

Taking all this information together, the BRE Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for a minimum period of 12 months from the date of approval of these financial statements and believe that there are no material uncertainties that call into doubt the ability of BRE Trust and its subsidiaries to continue as a going concern. The BRE Trustees consider the main risks to be those set out in the Risk Management section of this report.

Creditors' payment policy

The Group operates normal trading terms of payment within 45 days of the date of the invoice when making payments to its creditors.

Risk management

Risk management continues to develop within the Group and work is ongoing to improve reporting to relevant stakeholders. Work is underway to simplify processes and ensure risk is embedded as a way of working. Reporting on Principal Risks to the Risk and Audit Committee is in place and reviews are scheduled to ensure updates are made as required.

Risk appetite has been defined and is due for review which is intended to simplify and make these statements a core part of operational decision making. This will be completed later in the year.

It is accepted that such a system of risk management can provide only reasonable and not absolute assurance against material misstatement and loss and that the system is designed to provide the Trustees with reasonable assurance that problems are identified on a timely basis and dealt with appropriately and that systems exist to mitigate those risks.

The key principal risks are those identified below with reasons for inclusion and key mitigations.

Key Strategic Risks	Key Mitigation(s)
Governance mechanism/ structure	• Aligned governance structure between the Trust and Group Board mechanism. • Quarterly Risk and Audit Committee.

Risk Management (cont.)

Key Strategic Risks	Key Mitigation(s)
Long term financial stability	• Robust annual business planning, budgeting, monthly forecasting reviews and cash management. • Ongoing improvements in monthly forecasting processes. • Regular dialogue with pension trustees to maintain options with Escrow funding or reduced pension payments.
Cyber security	• Next generation firewalls and Anti-virus, Anti Malware systems in place. • Security Operations Centre fully functional to monitor key IT infrastructure 24/7. • Web application controls and secure email gateway in place to reduce attempted phishing attacks. • Annual penetration testing and maintenance of Cyber Essentials Plus certification. • Requirement for third party IT suppliers to have formal certification such as ISO 27001 or CREST. • Systems are continually updated with the latest software patches. • Multi Factor Authentication for user sign-ins and protection against identity theft. •
Ineffective talent attraction/retention	• Relevant policies for career development and training. • Continuous performance development approach.
Regulatory non-compliance	• Independent SHE (Safety, Health and Environmental) and Quality and Compliance departments. • A central group management system in place for policies, processes and procedures. • Independent Risk and Internal Audit Department. • Legislation register in place. • Top X Safety Health and Environmental (SHE) risk register to bring increased focus to management of the most significant BRE Health and Safety risks.
Reputation and brand strength	• Constant press monitoring by Director of Corporate Affairs and Third-Party Press Support. • Pre-prepared statements on likely scenarios and defined internal communication process. • Grenfell inquiry proceedings are monitored closely and BRE has provided a significant volume of information to assist the inquiry and continues to do so.

Risk Management (cont.)

Key Strategic Risks	Key Mitigation(s)
Challenges to operational delivery	• External assessments and prompt follow up/resolution of actions. • Independent Quality and Compliance department to assess and validate compliance to our ISO standards. • Measuring and analysing productivity and performance through improved resource utilisation to identify improvements to increase output and better serve customers. Customer complaints/compliments process with escalation points for issues. • Digital transformation programme underway.
Responding to long term trends and issues including climate change and ESG changes	• Development of a research and innovation strategy. • Product roadmaps developed with industry insight and knowledge by the Product Management team to drive improvements in existing product areas. • Product Innovation Team established to help drive new ideas for products and services.

Statement by the Trustees in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006.

The BRE Trustees consider that both individually and together that they have acted in the way they consider, in good faith, would be most likely to promote the success of BRE Trust for the benefit of its stakeholders as a whole (having regard to the matters set out in s172(1)(a-f) and S172(2) of the Act) in the decisions taken during the year ended 31 March 2025. The following paragraphs summarise how the Trustees fulfil the key elements of these duties.

Business planning and risk management

The BRE Trustees maintain its strategic plan for funding world class research in the built environment and consider long term planning as a critical part of how they ensure they understand the long-term consequences of their decisions. The Trustees recognise the nature of the safety critical services provided by BRE Group to its customers and the need to continue to evolve our approach to the risk management.

Our people

Our people are integral to the success of BRE Group and BRE Trust and we are proud of the passion and wide-ranging expertise and skills of our colleagues across the business. In 2025 we have continued to invest in programmes and initiatives to mitigate the people impact of the changes in the business and to continue to provide an environment in which our colleagues can contribute, thrive and develop. Further details of which are set out in the Strategic Report under the section on Our People.

Business and stakeholder relationships

The success of the organisation is dependent on our relationships with all of our stakeholders which include partners for BRE Trust, our customers for BRE Group as well as all our suppliers and staff. At BRE Trust we have focused heavily on building a network of like-minded organisations to improve research, education and practice in the built environment further details of which are set out in the Strategic Report under the section on Achievements and performance. BRE Group has focused on business development bringing in new commercial resources to work across the product portfolio to gain insight into markets and customers so that we are better able to serve the needs of all our stakeholders.

Community and Environment

The BRE Trustees recognise that the way we construct and manage homes, workplaces and other built assets can have hugely positive impacts on our wellbeing, economic performance and the sustainability and resilience of our built environment. Critical to this and the BRE Trust's core focus is the development of improved products, processes and tools to enhance economic and environmental impacts.

Disclosure of Information to Auditor

Insofar as each of the BRE Trustees of the Group and Charity at the date of approval of this report is aware there is no relevant audit information of which the group and company's auditors is unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group and company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Crowe U.K. LLP will therefore continue in office.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 March 2025

The Trustees (who are also Directors of BRE Trust for the purposes of company law) are responsible for preparing the Trustees' annual report, Strategic report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report, under the Charities Act 2011 and Companies Act 2006, was approved by the Council of Trustees' on 4th November 2025 including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:

Philip Wilbraham
Chair

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRE TRUST

Opinion
We have audited the financial statements of BRE Trust for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2025 and of the group's net income and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The Trustees are responsible for the other information contained with the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report and the strategic 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 Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Trustees' responsibilities statement set out on page 18 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 or the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and discussed these between our audit team members. We then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group for fraud. The only other laws and regulations we considered in this context are;

- General Data Protection Regulation (GDPR)
- ISO standards (ISO 17025, ISO 17065, ISO 9001; Quality Management System, ISO 14001: Environmental Management, ISO 45001: Occupational Health and Safety)
- Health and safety legislation
- Taxation legislation
- Employment legislation

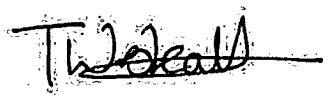
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income, stage payments income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, designing and implementing audit procedures over income, detailed testing of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Companies House, Charity Commission, OSCR, HMRC, the ICO, Health and Safety Executive (HSE), United Kingdom Accreditation Service (UKAS), Lloyd's Register Quality Assurance (LRQA), the review of internal audit reports and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Cheltenham

Date: 13 November 2025

BRE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE COMPANY INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2025

	Note	Restricted Funds 2025 £'000	Unrestricted Funds 2025 £'000	Total Funds 2025 £'000	Restricted Funds 2024 £'000	Unrestricted Funds (restated) 2024 £'000	Total Funds (restated) 2024 £'000
Income from							
Charitable activities	2	950	61,016	61,966	351	57,044	57,395
Other trading activities	3	-	2,354	2,354	-	1,868	1,868
Interest receivable		-	484	484	-	662	662
Total		950	63,854	64,804	351	59,574	59,925
Expenditure on							
Charitable activities	4	(294)	(58,097)	(58,391)	(353)	(55,352)	(55,705)
Gain/(loss) on investment property revaluation		-	713	713	-	(461)	(461)
Net income before tax		656	6,470	7,126	(2)	3,761	3,759
Taxation	8	-	-	-	-	(113)	(113)
Net income/ (expenditure)		656	6,470	7,126	(2)	3,648	3,646
Transfers between funds		-	-	-	-	-	-
Other recognised gains/(losses)							
Gain on revaluation of fixed assets	10	-	517	517	-	939	939
Actuarial gain/(loss) on defined benefit pension scheme	19	-	1,874	1,874	-	(5,723)	(5,723)
Net movement in funds		656	8,861	9,517	(2)	(1,136)	(1,138)
Reconciliation of funds							
Total funds brought forward	16	407	3,952	4,359	409	5,088	5,497
Total funds carried forward		1,063	12,813	13,876	407	3,952	4,359

The accompanying notes on pages 25 to 49 form an integral part of these financial statements.

BRE TRUST

CONSOLIDATED AND COMPANY BALANCE SHEETS
For the year ended 31 March 2025

	Note	Group 2025 £'000	Group (restated) 2024 £'000	Charity 2025 £'000	Charity 2024 £'000
Fixed assets					
Intangible assets	9	12,674	8,185	-	-
Tangible assets	10	18,563	19,317	-	-
Investments	11	9,235	8,522	5,000	5,000
		40,472	36,024	5,000	5,000
Current assets					
Debtors	13	20,626	17,918	-	-
Cash		10,916	10,791	2,776	4,632
Creditors: amounts falling due within one year	14	(21,556)	(19,997)	(232)	(106)
Net current assets		9,986	8,712	2,544	4,526
Total assets less current liabilities		50,458	44,736	7,544	9,526
Provisions for liabilities	15	(1,323)	(1,856)	-	-
Net assets excluding pensions liabilities		49,135	42,880	7,544	9,526
Defined benefit pension scheme liability	19	(35,259)	(38,521)	-	-
Net assets including pension liabilities		13,876	4,359	7,544	9,526
Funds of the Group					
Unrestricted funds:					
General fund	16	39,348	34,266	7,406	9,388
Revaluation reserve	16	8,724	8,207	-	-
Pension reserve	16	(35,259)	(38,521)	-	-
Restricted funds:					
Other reserve	16	9	9	-	-
Income fund	16	1,054	398	138	138
Total funds		13,876	4,359	7,544	9,526

The total income for the year of the Charity dealt with in the financial statements was £50k (2024: £1,642k) and total expenditure was £2,032k (2024: £35k).

The accompanying notes on pages 25 to 49 form an integral part of these financial statements.
These financial statements were approved by the Trustees on 4th November 2025.

Philip Wilbraham
Chairman
Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

BRE TRUST

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2025

	Note	2025 £'000	2024 £'000
Net cash from operating activities	17	4,964	7,178
Cash flows from investing activities			
Interest received		484	662
Acquisition of tangible fixed assets	10	(224)	(1,623)
Acquisition of intangible fixed assets	9	(5,099)	(6,513)
Net cash used by investing activities		(4,839)	(7,474)
Increase/(Decrease) in cash and cash equivalents in the year	18	125	(296)
Cash and cash equivalents at the beginning of the reporting period		10,791	11,087
Cash and cash equivalents at the end of the reporting period		10,916	10,791

The accompanying notes on pages 25 to 49 form an integral part of these financial statements.

1 Accounting policies

Charity information
BRE Trust is a company limited by guarantee in England and Wales (registered number 03282856) and is registered as a charity in England and Wales (No. 1092193) and in Scotland (No. SCO39320). The registered office is Bucknalls Lane, Garston, Watford, Hertfordshire, WD25 9XX.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. BRE Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

The Group financial statements consolidate the financial statements of the Charitable Company and its subsidiary undertakings drawn up to 31 March each year. With the exception of BRE China the financial statements of subsidiaries are prepared for the same reporting year as the Trust using consistent accounting policies. Even though BRE China has a 31 December reporting date the consolidated accounts include its results for the 12 months to 31 March 2025. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition or up to the date of disposal.

Details of the principal subsidiary undertakings are shown in note 12. Transactions or balances between BRE Trust Group entities have been eliminated on consolidation and are not reported.

Critical accounting judgements and estimation uncertainty
Preparation of the accounts requires the Trustees and management to make significant judgements and estimates which could differ from actual outcomes. The items in the financial statements where these judgements and estimates have been made are:

- Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured using a percentage completion method.
- The provisions made in respect of bad or doubtful debts which is based on historical experience of our debtors and specific knowledge of individual bad debts.
- The assumptions used to value the defined benefit pension scheme obligations and other defined benefit plans, which are based on best estimates of the discount rate to apply and inflation rates, further details of which are set out in note 19 to these financial statements,
- Impairment and valuation of non-current assets and the remaining useful life of assets which is based on future plans for the use of the assets.

Going concern
BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the significant improvement in the level of reserves, excluding pension impact, and the net income of £7.1m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, as well as the budgets for 2027 and 2028 and the cashflow projections for the Trust and BRE Group. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the risks to income by looking at where the revenue is secure through committed contracts, where there are ongoing long-standing client relationships and where the revenue is more uncertain.

1 Accounting policies (cont.)

Going concern (cont.)

The cost base has also been analysed to consider risk around inflation, high energy prices, staff related cost increases. The business plan has considered risks such as uncertainties in the external market including the energy crises made worse by the political climate of Ukraine and Russia. Details of the BRE Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan designed to get the scheme to self-sufficiency by 2037..

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank remains in place. This facility along with the cash held by the Group will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and the Group over the next 12 months and in the medium term.

The forecasts for the current financial year and the budgets for 2027 and 2028 have been set out as the base case for the organisation. They include the impact of known capital expenditure as well as provision for some potential risks of assets needing replacement. The review has included sensitivity analysis around the main identified areas of income risk to ensure that the Company would still be able to operate sustainably for the foreseeable future if these risks did materialise.

Taking all this information together the Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the Group to continue as a going concern.

Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item of income has been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met and where it is probable that the income will be received, and the amount can be measured reliably.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover reflecting the proportion of work completed to date on the project.

Funds

All funds of the Charity and the Group are unrestricted funds, with the exception of a number of individual grant funded projects, which are restricted. Unrestricted funds are available for the Trustees to apply to research activities that are in accordance with the objects of the Trust. Restricted funds are used for research governed by any conditions accepted at the time the funds are received.

Expenditure

All expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are allocated to the different categories of activities. This is based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. Support costs include processing and administration, human resources, information technology and facilities costs.

Governance costs are included within support costs and include strategic planning costs for the Trust's future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and for preparing statutory financial statements and satisfying public accountability.

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

1 Accounting policies (cont.)

Operating Leases

Operating leases and the payments made under them are charged to the statement of financial activities on a straight-line basis over the lease term. The Group also lets some of its property on short term leases of five years or less which are classified as operating leases. Lease income is recognised on a straight-line basis over the lease term.

Research and development

All research expenditure is charged to the statement of financial activities in the period in which it is incurred. The development costs incurred in the creation of new software products and tools are capitalised under intangibles.

Taxation

BRE Trust is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Trust's UK subsidiary companies give all their taxable profits to the Charity, normally resulting in no liability to corporation tax. Tax is payable by overseas subsidiaries in accordance with local regulations.

Intangible assets

Purchased goodwill is capitalised and amortised over its useful economic life, which is determined on a case-by-case basis but does not exceed 5 years.

Expenditure incurred in the development or purchase of software and the purchase of licence agreements is capitalised and written off over the useful economic life of the asset and will not exceed 20 years.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and stated at cost or valuation less depreciation. The fair value of land and buildings is determined from a market-based appraisal undertaken by a professionally qualified valuer every two years and the latest full valuation was undertaken in the year ended 31 March 2024. Assets are reviewed annually for any impairment in value, and as a result of this review a desktop valuation was undertaken this year.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis, as shown below:

Leasehold Improvements	8 years
Freehold buildings	5-20 years
Plant and machinery	3-10 years
Fixtures and fittings	7 years
Motor vehicles	3-10 years

No depreciation is provided on freehold land.

Investment property

Property that is held for long-term rental or is being developed for future rental is classified as investment property. The fair value of land and buildings is determined by a market-based appraisal undertaken by a professionally qualified valuer every two years and the next full valuation will be undertaken in 2026. Changes in fair value are recognised in the Statement of Financial Activities. Assets are reviewed annually for any impairment in value, and as a result of recent economic conditions, including turbulence within the property market, a desktop valuation was commissioned to assist with the assessment of valuation at the year end.

1 Accounting policies (cont.)

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Within provisions is an amount for enhanced redundancy benefits where some employees over 50 years of age can translate part of their redundancy entitlement into an annual compensation payment. A provision is made for the future amounts payable over the estimated life expectancy of the ex-employees.

Cash

Cash balances are part of the Group's working capital and are kept on current account or short-term deposit.

Basic financial instruments

Debtors

Debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financial transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Creditors

Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Investments in subsidiaries, jointly controlled entities and associates

Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any exchange differences are dealt with through the Statement of Financial Activities.

The statement of financial activities, assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Gains and losses arising from the translation of opening balances and long-term loans are taken to the Statement of Financial Activities.

Post – retirement benefits

Building Research Establishment Limited operated defined benefit pension schemes providing benefits based on final pensionable pay. The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC Scheme at 31 March 2009. The two schemes were merged together during 2016 forming the BRE and LPC Pension Scheme. The assets of the scheme are held separately from those of the Trust and the trading subsidiaries.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. During the year, it has come to light that the actuarial valuation of the defined benefit pension scheme, which is closed to future accruals, undervalued the liabilities in the year ended 31 March 2021, due to a computational error in the historical defined benefit obligation calculations. This has been recognised as a prior year adjustment, and the effects are detailed in Note 22 .

1 Accounting policies (cont.)

Post – retirement benefits

The defined benefit obligations as at 31 March 2025 for this FRS102 valuation represent an update of the previous year's FRS102 liabilities with allowance made for benefits paid out to members for the year and price inflation over the year. All other experience is assumed to be in line with the assumptions at the start of the year.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Building Research Establishment Limited also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust and its subsidiaries in an independently administered fund. The pension costs charged against net income are the contributions payable to the scheme in respect of the accounting period.

2 Income

	2025 £'000	2024 £'000
Advisory services on building performance, construction and fire safety	14,138	13,806
Provision of third-party assurance services	46,878	43,238
Services delivered to government	950	351
	61,966	57,395

Included in services delivered to government are amounts totalling £950k (2024: £351k) which are government grants for undertaking research projects for which there are no unfulfilled conditions.

3 Other trading income

	2025 £'000	2024 £'000
Other rental income	1,197	1,441
Other trading income	989	167
Tax credits	168	260
	2,354	1,868

4 Expenditure

Charitable activities

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Activities undertaken directly	1,328	8,586	28,468	577	38,959	33,024
Grant funding of activities	-	32	-	-	32	25
Support costs	660	4,276	14,177	287	19,400	22,656
	1,988	12,894	42,645	864	58,391	55,705

Analysis of support costs

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Legal and professional	244	1,581	5,243	106	7,174	5,451
IT	143	925	3,065	62	4,195	5,360
HR	47	304	1,009	20	1,380	1,755
Marketing	66	426	1,411	29	1,932	1,934
Facilities	149	966	3,202	65	4,382	4,893
Other	11	74	247	5	337	3,263
	660	4,276	14,177	287	19,400	22,656

Included within Support costs are the following governance costs:

	2025 £'000	2024 £'000
Auditor's remuneration:		
Audit of Group and subsidiary financial statements	112	93
Amounts receivable by auditor and associates in respect of:		
Services relating to taxation	15	14
Other services	15	15

Expenditure on research and development recognised as an expense totalled £847k (2024: £937k).

5 Staff costs and numbers

	2025 £'000	2024 £'000
Group staff costs during the period amounted to:		
Wages and salaries	29,152	27,902
Social security costs	2,940	2,727
Other pension costs	4,498	4,245
Operating costs of the defined benefit pension scheme	599	526
	37,189	35,400

Included in other pension costs are contributions made by Building Research Establishment Ltd of £3,274k (2024: £3,068k) to the closed BRE and LPC defined benefit Pension Scheme.

During the year redundancy and termination payments totalling £244k (2024: £134k) were made in agreement with the employees, who were provided with independent legal advice, to compensate them for loss of employment arising from their employment with the Group ceasing.

The executive team (who are considered key management personnel) consisting of 4 individuals were paid a total of £656k (2024: 4 individuals were paid £687k).

The average number of employees (including directors) during the year was as follows:

	2025	2024
Research staff	472	483
Support staff	125	110
	597	593

The number of regular employees whose pay and taxable benefits exceeded £60,000 fell within the following bands:

Salary band	2025	2024
£60,000 - £69,999	40	34
£70,000 - £79,999	32	25
£80,000 - £89,999	13	10
£90,000 - £99,999	4	3
£100,000 - £109,999	3	5
£110,000 - £119,999	5	4
£120,000 - £129,999	4	2
£130,000 - £139,999	2	-
£140,000 - £149,999	-	1
£150,000 - £159,999	-	3
£160,000 - £169,999	1	-
£180,000 - £189,999	-	1
£200,000 - £209,999	-	1
£210,000 - £219,999	1	1

5 Staff costs and numbers (cont.)

The total employer contributions in the year for provision of money purchase pension benefits for higher paid employees were £387k (2024: £350k). The number of higher paid employees (i.e. greater than £60k) to whom pension benefits are accruing under money purchase schemes was 92 (2024: 79).

6 Trustees' remuneration and expenses

No Trustee earned any remuneration in either 2025 or 2024. Out of pocket expenses incurred by 2 (2024: 1) Trustees in the furtherance of their duties are reimbursed at cost and totalled £657 (2024: £84). The whole of this amount related to travel and out of pocket expenses.

7 Other finance costs

	2025 £'000	2024 £'000
Expected return on pension scheme assets	3,035	3,256
Interest on pension scheme liabilities	(4,843)	(4,608)
Past service cost (incl. curtailments)	(69)	(58)
	(1,877)	(1,410)

8 Taxation

BRE Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The tax charge for the period is lower than the standard rate of corporation tax in the UK of 25%. The differences are explained below.

	2025 £'000	2024 £'000
Current tax		
UK corporation tax on profit for the year	-	-
Adjustment in respect of previous year	-	113
	-	113

8 Taxation (cont.)

	2025	2024
	£'000	£'000
Tax reconciliation		
Profit on ordinary activities before tax	7,126	3,759
Tax using the UK corporation tax rate of 25% (2024: 25%)	1,782	940
Effects of:		
Expenses not deductible for tax purposes	301	158
Other permanent differences	-	(382)
R&D expenditure credits	(42)	(65)
Gains on investment	(178)	-
Depreciation in excess of capital allowances	136	-
Capital gain	2,181	-
Gift aid	(639)	-
Consolidation adjustments	300	15
Adjustments to pension valuation	(1,125)	-
Adjustment in respect of prior periods	-	113
Deferred tax not recognised	(2,716)	(666)
Total tax charge	-	113

9 Intangible fixed assets

Group	Software	Assets under construction	Other Intangibles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2024	3,176	7,616	497	11,289
Additions	3,118	1,981	-	5,099
Disposals	(12)	-	-	(12)
Transfers	5,649	(5,649)	-	-
At 31 March 2025	11,931	3,948	497	16,376
Amortisation				
At 1 April 2024	2,607	-	497	3,104
Charge for the year	610	-	-	610
On disposals	(12)	-	-	(12)
At 31 March 2025	3,205	-	497	3,702
Net book value				
At 31 March 2025	8,726	3,948	-	12,674
At 31 March 2024	569	7,616	-	8,185

The Group had capital commitments for software of £670k (2024: £2,681k).

10 Tangible fixed assets

Group	Freehold Land and Buildings	Assets under construction	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2024	23,550	198	5,700	1,214	39	30,701
Additions	-	32	160	32	-	224
Disposals	-	-	(1,638)	(265)	-	(1,903)
Transfers	-	(198)	198	-	-	-
Revaluation gain	517	-	-	-	-	517
At 31 March 2025	24,067	32	4,420	981	39	29,539
	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation						
At 1 April 2024	7,338	-	3,485	543	18	11,384
Charge for year	495	-	848	145	7	1,495
On Disposals	-		(1,638)	(265)	-	(1,903)
At 31 March 2025	7,833	-	2,695	423	25	10,976
Net Book Value						
At 31 March 2025	16,234	32	1,725	558	14	18,563
At 31 March 2024	16,212	198	2,215	671	21	19,317

Freehold land is not depreciated. As at 31 March 2025, freehold land and buildings is held at the revalued amount of £16.2m. The comparable cost and net book value at that date determined under the historical cost accounting rules would have been £9.2m and £7.6m respectively. A full valuation was performed on 31 March 2024 by Christian Glazier (MRICS) of BNP Paribas Real Estate. The valuation was prepared in accordance with Professional Standard 2 of the RICS Valuation – Global Standards 2021 effective 31 January 2022, the International Valuation Standards and the UK National Supplement 2018, effective 14 January 2019. The value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The directors revalued the freehold land and buildings at 31 March 2025 following a desktop valuation undertaken by BNP Paribas Real Estates.

All tangible fixed assets are used in the commercial trading organisations. The land and buildings let to third parties has been transferred to investment properties.
No tangible fixed assets are owned by the Trust.

11 Fixed asset investments

	Group Investment Properties £'000	Charity Interest in subsidiary undertakings £'000
At 1 April 2024	8,522	5,000
Gain on revaluation	713	-
At 31 March 2025	9,235	5,000

As at 31 March 2025, group investment properties were held at the revalued amount of £9.2m. The directors revalued the investment properties at 31 March 2025 following a desktop valuation undertaken by BNP Paribas Real Estates as detailed in note 10.

11 Fixed asset investments (cont.)

The trading results of the operating subsidiaries of the Group are:

	Building Research Establishment Limited	BRE Global Limited	Constructing Excellence Limited	Ceequal Limited	BRE China	BRE Ireland
	2025	2025	2025	2025	2025	2025
Summary profit and loss account	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	17,133	47,141	264	44	441	378
Operating costs	(38,009)	(42,711)	(402)	(18)	(456)	(359)
Other operating income	25,618	-	-	-	-	-
Gain on revaluation of investment property	713	-	-	-	-	-
Operating profit/(loss)	5,455	4,430	(138)	26	(15)	19
Interest receivable	434	-	-	-	-	-
Other finance costs	(1,877)	-	-	-	-	-
Actuarial gain on defined benefit pension	1,874	-	-	-	-	-
Revaluation of land and buildings	517	-	-	-	-	-
Net result	6,403	4,430	(138)	26	(15)	19
Taxation	-	-	-	-	-	-
Retained in the subsidiary	6,403	4,430	(138)	26	(15)	19
Assets and liabilities of the subsidiary						
Fixed assets	37,000	4,453	-	-	1	-
Current assets	21,166	32,616	198	1,007	686	305
Creditors falling due within one year	(33,912)	(12,527)	(473)	(44)	(1,471)	(332)
Total assets less current liabilities	24,254	24,542	(275)	963	(784)	(27)
Provision for liabilities	(1,323)	-	-	-	-	-
Pension scheme liabilities	(35,259)	-	-	-	-	-
Deferred grant	(1,000)	-	-	-	-	-
Total funds	(13,328)	24,542)	(275)	963	(784)	(27)

12 Subsidiary and associate undertakings

The undertakings in which the Group's interest at 31 March 2025 was more than 20% were as follows:

	Interest in ordinary share capital	Activity
Trading Companies:		
BRE Group Limited (02704081)	100%	Management of subsidiary company operations
Building Research Establishment Limited (03319324)[α]	100%	Advisory services and information on building performance, construction and fire safety
BRE Global Limited (08961297)[α]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Building Research Establishment Shenzhen Limited (91440300358776938Y)*	100%	Sustainability and training
Ceequal Limited (04568928)[+]	100%	Methodologies for sustainable infrastructure projects
Constructing Excellence Limited (04641522)*[>]	N/A	Co-ordination of member led performance improvement network
BRE Global Assurance (Ireland) Limited (602123)[α]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Non-Trading Companies:		
BRE Certification (03548352)[+#]	100%	
BRE International Limited (01915620)*[#]	100%	
BRE Canada Inc (2279888)*[#]	100%	
EFSG Limited (02971676) *[#>]	N/A	
The Loss Prevention Certification Board Limited (01907862)*[#]	100%	
Building Performance Group Limited (01573939)*[#]	100%	
BRE America Holdings Inc (5984258)*[#]	100%	Holding company

* Held through Building Research Establishment Limited
[α] Held through BRE Group Limited
[+] Held through BRE Global Limited
[#] Dormant company
[>] Company limited by guarantee

All of the subsidiaries and associates are registered in England and Wales with the exception of BRE America Holdings Inc, which is registered in the United States, BRE Canada Inc which is registered in Canada, Building Research Establishment Shenzhen Limited which is registered in China, BRE Global Assurance (Ireland) Limited which is registered in Ireland.

13 Debtors

	2025 £'000 Group	2025 £'000 Charity	2024 £'000 Group	2024 £'000 Charity
Trade debtors	9,307	-	8,115	-
Amounts recoverable on contracts	2,479	-	1,027	-
Other debtors	5,790	-	4,760	-
VAT and other taxes recoverable	1,386	-	2,002	-
Prepayments	1,664	-	2,014	-
	20,626	-	17,918	-

14 Creditors: amounts falling due within one year

	2025 £'000 Group	2025 £'000 Charity	2024 £'000 Group	2024 £'000 Charity
Deferred income	11,734	-	8,312	-
Trade creditors	2,828	-	4,108	-
Amounts due to group undertakings	-	218	-	81
Social security and other taxes	1,276	-	1,812	-
Other creditors	1,049	-	974	-
Accruals	4,669	14	4,791	25
	21,556	232	19,997	106

Deferred income movement:

	Group £'000	Charity £'000
Balance at 1 April 2024	8,312	-
Amount released in the year	(7,360)	-
Amount deferred in the year	10,782	-
Balance at 31 March 2025	11,734	-

Deferred income arises where services have been invoiced but the performance conditions in relation to part of the amount invoiced have not yet been met.

15 Provision for liabilities

Future amounts payable relating to:	Former Directors' Future liabilities	Restructuring	Post retirement future liabilities	Total
	£'000	£'000	£'000	£'000
Group:				
At 1 April 2024	168	211	1,477	1,856
Utilised in the year	(14)	(211)	(133)	(358)
Charge to the Statement of Financial Activities	(2)	-	(173)	(175)
At 31 March 2025	152	-	1,171	1,323

The post retirement future liabilities is a provision made to reflect a liability to make future payments to some ex-employees who were made redundant when over the age of 50 and have translated part of their entitlement into an annual compensation payment payable for life.

Former directors' future liabilities is a provision made in respect of two previous directors of the Group who were provided with post-retirement benefits to match benefits received by other executives in the company who were on an enhanced executive category pension arrangement.

The timing of the cash outlays in respect of these provisions is uncertain but should not exceed £135k in the next financial year.

16 Reserves

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2024 (restated)	34,266	(38,521)	8,207	3,952	9	398	407
Net income for the year	4,369	1,388	-	5,757	-	656	656
Gain on revaluation of tangible fixed assets	-	-	517	517	-	-	-
Actuarial gain recognised in defined benefit pension	-	1,874	-	1,874	-	-	-
Gain on revaluation of investment properties	713	-	-	713	-	-	-
At 31 March 2025	39,348	(35,259)	8,724	12,813	9	1,054	1,063

16 Reserves (cont.)

Group	General Fund + Unrestricted £'000	Pension Reserve (restated) Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted (restated) Reserves £'000	Other Reserve Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2023 (restated)	32,276	(34,456)	7,268	5,088	9	400	409
Net income for the year	2,451	1,658	-	4,109	-	(2)	(2)
Gain on revaluation of tangible fixed assets	-	-	939	939	-	-	-
Actuarial loss recognised in defined benefit pension	-	(5,723)	-	(5,723)	-	-	-
Loss on revaluation of investment properties	(461)	-	-	(461)	-	-	-
At 31 March 2024 (restated)	34,266	(38,521)	8,207	3,952	9	398	407

The general fund is the amount of unrestricted funds after allowing for total fixed assets, any commitments not recognised in the accounts and all designated funds. The revaluation reserve is the value of unrestricted funds represented by the freehold land and buildings owned and used by the Group and its subsidiaries on an ongoing basis.

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
At 1 April 2024	9,388	138	9,526
Net funds for the year	(1,982)	-	(1,982)
At 31 March 2025	7,406	138	7,544

16 Reserves (cont.)

Charity

	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000
At 1 April 2023	7,781	138	7,919
Net funds for the year	1,607	-	1,607
At 31 March 2024	9,388	138	9,526

The net funds expended for the year of the Charity dealt with in the financial statements was £1,982k (2024: surplus of £1,607k).
Restricted funds are used to promote sustainable approaches to relief, recovery and reconstruction after a natural disaster. Other restricted reserves relate to the PIA (payment in advance) on grant projects. Income restricted reserves relate to the accumulated Statement of Financial Activities funds held by the individual Trust entity.

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Restricted Reserve	Income Restricted Reserves	Total
	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000	2025 £'000
Intangible	12,674	-	-	-	-	12,674
Tangible	9,830	-	8,724	9	-	18,563
Investments	9,235	-	-	-	-	9,235
Net current assets	8,932	-	-	-	1,054	9,986
Provisions	(1,323)	-	-	-	-	(1,323)
Pension scheme liability	-	(35,259)	-	-	-	(35,259)
	39,348	(35,259)	8,724	9	1,054	13,876

2024 Comparative (restated)

Analysis of Group net assets between funds	General Fund	Pension Reserve (restated)	Revaluation Reserve	Other Restricted Reserve	Income Restricted Reserves	Total
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000
Intangible	8,185	-	-	-	-	8,185
Tangible	11,101	-	8,207	9	-	19,317
Investments	8,522	-	-	-	-	8,522
Net current assets	8,314	-	-	-	398	8,712
Provisions	(1,856)	-	-	-	-	(1,856)
Pension scheme liability (restated)	-	(38,521)	-	-	-	(38,521)
	34,266	(38,521)	8,207	9	398	4,359

17 Cash flows from operating activities

	2025 £'000	2024 £'000
Net income before tax	7,126	3,759
Adjustments for:		
Interest receivable	(484)	(662)
Depreciation and amortisation	2,105	1,800
(Gain)/loss on revaluation of investment properties	(713)	461
Taxation	-	(113)
Pension and other finance costs	1,877	1,410
Pension deficit funding contributions	(3,265)	(3,068)
Movement in working capital:		
(Increase)/decrease in debtors	(2,708)	1,629
Increase in creditors (exc. taxation)	1,759	2,305
(Decrease) in provisions	(533)	(143)
Taxation paid	(200)	(200)
Net cash from operating activities	4,964	7,178

18 Analysis of change in net funds

	At 1 April 2024 £'000	Cash flow £'000	At 31 March 2025 £'000
Cash at bank	10,791	125	10,916
Cash and cash equivalents	10,791	125	10,916

19 Pensions

The Group established a defined contribution stakeholder scheme for employees who commenced employment after 1 January 2002. The Group contributes up to 5% of salary so long as the members do the same. However, members can contribute a higher amount if they wish to do so. Contributions to the stakeholder scheme amounting to £241k (2024: £237k) were payable at 31 March 2025 and are included in creditors. The assets of the stakeholder scheme are invested with Scottish Widows.

The Group formerly operated two funded defined benefit pension schemes, one for the employees who transferred from LPC (the LPC Scheme) and one for other employees of the Trust and its subsidiaries who commenced employment before 31 December 2001 (the BRE Scheme). The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC scheme at 31 March 2009. The two schemes were merged together during the year ended 31 March 2016 forming the BRE and LPC Pension Scheme. Members of the BRE and LPC Pension Scheme have also been offered membership of the Groups defined contribution stakeholder scheme on the same terms as other members.

19 Pensions (cont.)

The actuarial valuation of the pension scheme liability was understated due to a computational error in the historical defined benefit obligation calculations in 2021 and this has led to the restatement of 2024 figures detailed below. This has been shown as a prior year adjustment and the effects disclosed in Note 22.

The pension cost for the year represents contributions payable by the Group to the BRE and LPC Pension Scheme and amounted to £3,274k (2024: £3,068k). All the pension costs relate to unrestricted funds and have been allocated between activities based on the level of income for the year. The assets of the defined benefit schemes are managed by Aon Fund Managers held separately from those of the Group, being invested with Ruffer, Schroders, BGO, AIL and the DRC Fund.

Management charges of £599k (2024: £528k) were incurred in respect of the BRE and LPC Pension Scheme. Contributions to this scheme amounting to £278k (2024: £268k) were payable at 31 March 2025 and are included in creditors. Monthly contributions to the schemes are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Under a 'recovery plan' agreed with the pension trustees (and submitted to the Regulator) the deficit on the BRE and LPC Pension Scheme is partially secured by a direct charge over the Garston site in favour of the pension fund.

The major assumptions used by the actuary were:

	Combined Scheme 2025 %pa	Combined Scheme 2024 %pa	Combined Scheme 2023 %pa
Rate of increase in salaries	2.70	2.70	2.70
Discount rate for calculation of benefits	5.70	4.90	4.80
Inflation (RPI)	3.00	3.10	3.10
Inflation (CPI)	2.70	2.70	2.70

In valuing the liabilities of the pension fund at 31 March 2025, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting an individual, on retirement, to live for a number of years as follows:

The BRE and LPC Pension Scheme

- Current pensioner aged 65: 21.2 years (male) and 23.6 years (female)
- Future retiree (aged 45) upon reaching 65: 22.4 years (male) and 25.1 years (female)

The assumptions used by the actuary are the Group's best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The asset valuations of the scheme at 31 March 2025 amounted to £56,703k (2024: £63,122k) for the BRE and LPC Pension Scheme. These amounts were sufficient to cover 62% (2024: 62% as restated) of the benefits that had accrued to members.

19 Pensions (cont.)

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long years and thus inherently uncertain, were:

	2025	2024 (restated)
	£'000	£'000
Present value of funded defined benefit obligations	(91,962)	(101,643)
Fair value of assets	56,703	63,122
Net deficit	(35,259)	(38,521)

Movements in present value of defined benefit obligation	2025	2024 (restated)
	£'000	£'000
At 1 April	101,643	103,079
Interest on obligation	4,843	4,608
Actuarial (gain)	(8,933)	(894)
Benefits paid	(5,660)	(5,208)
Past service cost (incl. curtailments)	69	58
At 31 March	91,962	101,643

Movements in fair value of assets	2025	2024
	£'000	£'000
At 1 April	63,122	68,623
Expected return on assets	3,035	3,256
Actuarial (loss) / gain	(7,059)	(6,617)
Contributions by employer	3,265	3,068
Benefits paid	(5,660)	(5,208)
At 31 March	56,703	63,122

Amounts recognised in the Consolidated Statement of Financial Activities

	2025	2024
	£'000	£'000
Interest on defined benefit obligations	(4,843)	(4,608)
Expected return on assets	3,035	3,256
Past service cost (incl. curtailments)	(69)	(58)
Resources expended (included in other finance costs)	(1,877)	(1,410)

19 Pensions (cont.)

	2025 £'000	2024 £'000
Actual return less expected return on assets	(7,059)	(6,617)
Experience gain on liabilities	741	(2,933)
Change in assumptions underlying the present value of the liabilities	8,192	3,827
Actuarial gain/(loss)	1,874	(5,723)

Assets

Actual return on the scheme assets during the year:

	2025 £'000	2024 £'000
Return on assets excluding interest	(7,059)	(6,617)
Interest income on assets	3,035	3,256
Actual return on scheme assets	(4,024)	(3,361)

In relation to the FRS102 disclosure no deferred tax has been provided on the net deficit of the scheme as no tax liabilities or benefits are expected to arise for the foreseeable future.

The Group expects to contribute approximately £3,331k to the defined benefit scheme in the next financial year.

20 Leases

At 31 March 2025 the Group had future minimum lease payments under non-cancellable operating lease arrangements as follows:

During the year £375k was recognised as an expense in the Statement of Financial Activities in respect of operating leases (2024: £384k)

Plant and machinery expiring:	2025 £'000	2024 £'000
Not later than one year	68	67
Later than one year and not later than five years	80	143
	148	210

20 Leases (continued)

Land and Buildings expiring:	2025 £'000	2024 £'000
Not later than one year	302	276
Later than one year but not later than five years	331	826
	633	1,102

At 31 March 2025, the Group had expected future minimum lease receipts under non-cancellable operating leases as follows:

Future anticipated Lessor income	2025 £'000	2024 £'000
Not later than one year	454	361
Later than one year and not later than five years	1,317	312
Later than five years	350	144
	2,121	817

21 Related party transactions

Trustees and directors

Due to the nature of the Trust's operations and the composition of the Trustees (holding other executive and non-executive roles) from time-to-time transactions will take place with organisations in which a member of the Trustees may have an interest. All transactions involving organisations in which a member of the Trustees may have an interest are conducted at arm's length and in accordance with the Trust's financial regulations and normal sales or procurement procedures. Trustees are required to complete a declaration of interest each year.

There are no other related party transactions that require disclosure.

At 31 March 2025, there were intercompany payables from the Trust amounting to £218k (2024: payables from the Trust: £81k) outstanding between the Trust and its subsidiaries.

22 Prior year adjustment

In the year ended 31 March 2025, it became apparent that the actuarial valuation of the pension scheme liability in 2021 was understated due to a computational error in the historical defined benefit obligation calculations.

The 2024 comparatives have been restated to take account of this prior year adjustment.

The impact of this adjustment means that profit and loss reserves at 1 April 2023 and 31 March 2024 have decreased by £4.5m.

The effect of the change is detailed in the table below:

Reconciliation of reserves	At 1 April 2023 £'000	At 31 March 2024 £'000
Reserves (as previously stated)	9,997	8,859
Pension liability valuation – change in value	(4,500)	(4,500)
Reserves (as restated)	5,497	4,359

Reconciliation of 2024 total comprehensive income	2024 £'000
2024 net movement in funds (as previously stated)	(1,138)
(Gain)/loss – movement	-
2024 net movement in funds (as restated)	(1,138)

BRE TRUST

England & Wales - Charity number 1092193

Accounts

BRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2024

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

BRE TRUST

FINANCIAL STATEMENTS
For the year ended - 31 March 2024

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Registered office:	Bucknalls Lane Garston Watford Hertfordshire WD25 9XX
Bankers:	Barclays Bank PLC 1 Churchill Place London E14 5HP
Independent Auditors:	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR

BRE Trustees report

The Council of Trustees has pleasure in presenting its report together with the Audited Financial Statements for the year ended 31 March 2024.

Objects and activities

As a charity all the Trust's activities must at all times conform with the statement of 'objects' given in the governing documents, the Articles of Association.

The Trust's objects are for the public benefit:

- to undertake, commission and support research in areas of science, engineering, information technology, management and economics associated with the built environment, including its processes and artefacts;
- to advance knowledge, innovation, and communication, and to promote education and excellence, in all such matters, and to collect, collate and publish useful information, ideas, and data relating thereto; and
- to undertake, commission, facilitate and support such other activities and services as are beneficial to the built environment and charitable in law in accordance with law of England and Wales provided that
- it will not include any purpose which is not charitable in accordance with s.7 of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission. During the year the Trustees undertook a major review of the governance structure of the Trust and subsidiaries. An investment committee has been set up to ensure the public benefit requirements are met and BRE Trust continue to sponsor several students for their projects on the built environment.

Structure, governance and management

BRE Trust (the "Trust") is a company limited by guarantee (Company number 03282856) and is registered as a charity in England and Wales (No 1092193) and in Scotland (No SCO39320). The Trust was established to provide independent, non-sectorial ownership of the Building Research Establishment, an Executive Agency of the Department of the Environment, when it was transferred to the private sector in March 1997. The Trust is governed by its most recent Articles of Association which were approved by a meeting of members on 6th March 2019. In addition, the Trust provides independent ownership of BRE Group Limited ('BRE Group') which in turn is the owner of businesses resulting from the privatisation of the Building Research Establishment. The Trust protects the independence of BRE Group to ensure that its advice and research remain objective and free from bias. BRE Group continues to have a strong reputation, both nationally and in the international arena, as an impartial and respected consultancy, science and research organisation.

BRE Group Limited is the holding company for Building Research Establishment Limited, BRE Global Limited which are established in England and Wales and BRE Global Assurance (Ireland) Limited, a company established and resident in the Republic of Ireland. These subsidiaries in turn are owners of other trading companies in the UK and the People's Republic of China.

This ownership structure means that:

- BRE Trust has the flexibility, freedom and separation from its investments to promote and carry out its charitable objectives for the public good; and
- BRE Group and its subsidiary companies can maintain independence from each other to meet regulatory requirements.

Trustees and Officers of the Charity

The governing body of the Trust is its Council of Trustees which comprises at least five and no more than ten Trustees at any one point in time. The Directors of the company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the "Trustees".

The term of office for a Trustee is three years and Trustees may serve for three terms. New Trustees are familiarised with the workings of the Trust, its policies, procedures and governance through an induction programme consisting of visits to the head office, meetings with key personnel and officers of BRE Group together with more formal training including ongoing training and support.

The Trustees and Officers serving during the year and up to the time of signing these accounts were as follows:

Trustees	Appointed	Resigned
Philip Wilbraham (Chairman)	7 June 2018	
Ashley Hook	18 March 2020	
Gary Mills	29 March 2023	
Prof. Vicky Pope	3 June 2019	
Jonathan Rickard	3 June 2019	
David Reid	30 June 2023	
Kelly Bream	30 June 2023	
Linda Chandler	6 July 2023	
Company Secretary		
Dr Paul Conroy		30 October 2023
Ashley George Thompson	30 October 2023	

Board Tenure, Gender Diversity and Meetings

As at 31 March 2024, the tenure and diversity of the Trust board was as follows:

Tenure		Gender Diversity	
< 1 Year	44%	Female	33%
1-3 Years	12%	Male	67%
3-6 Years	44%		

The Board met 4 times in 2023/24, on the 24 April 2023, 24 July 2023, 30 October 2023 and 29 January 2024.

Executive Staff

The Trustees have delegated certain operational management of the Trust's affairs to Gillian Charlesworth, the CEO of BRE Group who in turn delegates all operational functions to the BRE Group. BRE Group continues to provide support to the Trust to assist in the day-to-day management of its activities. Paul Conroy provides legal and governance support to the Trustees.

Governance Framework

The Trust has adopted the Charity Governance Code for Larger Charities as the basis for its governance. The Code sets the principles and recommends good governance for charities. The Trust measures itself against the seven principles and the recommendations and guidance they provide to ensure the continuous improvement and highest standards of governance.

Governance Framework (cont.)

The Board of Directors of BRE Group is made up as follows:

Director	Position	Appointed	Resigned
Philip Wilbraham	NED (Chair)	1 April 2022	
Gillian Charlesworth	CEO	21 May 2019	
Vinodha Soysa Wijeratne	CFO	15 December 2022	
Paul Hetherington	NED	16 May 2022	

Director appointments to the BRE Group Board are made by both the Trustees and BRE Group, the majority of the Directors at any one time being those appointed by the Trust. The BRE Group Board meets at least 4 times each year and has two established committees, the Risk and Audit Committee and the Remuneration and Nomination Committee to assist in the governance of the Group.

Standing Committees

The BRE Trust Council delegates some of its work to committees and the committees report to the Council their discussion, actions and recommendations. There are three committees of BRE Trust at the time of signing this report:

- Risk and Audit Committee
- Nominations Committee

In addition, BRE Group which is a wholly owned subsidiary of BRE Trust has two standing committees, a Risk and Audit committee and a Remunerations and Nominations committee. These committees are now more closely aligned with the BRE Trust committees, details of which are set out below.

BRE Trust Risk and Audit Committee and BRE Group Risk and Audit committee:

The Trust's Risk and Audit Committee supports the Trust Board's responsibility for oversight of risk management, the control environment, policy review and the integrity of financial statements and reporting. It seeks assurance from the BRE Group Board on the sound management of its investments. The committee membership consisted of Paul Hetherington, Linda Chandler, Jonathan Rickard and Gary Mills and includes at request attendance from members of the Group Board.

BRE Group Risk and Audit committee is responsible for oversight of both the external audit work as well as looking at the internal financial controls, internal controls, and risk management system across BRE Group.

The BRE Group Risk and Audit Committee met 4 times during the year, on 20 March 2023, 21 July 2023, 2 October 2023, and 15 January 2024.

BRE Trust Investment Committee:

The Investment Committee was formed in February 2023 and approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching. The key activities are the review of progress with the programmes, review of the operations processes, review of the relevant risks and communications and promotions of the programme.

The Investment Committee membership consisted of Vicky Pope (Chair), Ashley Hook, Linda Chandler, Kelly Bream, Phil Wilbraham, Paul Hetherington, Jonathan Rickard, David Reid and Gary Mills. The Committee met 4 times during the year on 24 April 2023, 24 July 2023, 30 October 2023 and 29 January 2024.

BRE Remuneration and Nominations Committee:

The BRE Remuneration and Nominations Committee manages the appointment of new trustees and reviews the roles and responsibilities of both Trustees and the Chair of Trustees and is responsible for determining the remuneration and conditions of the executive directors of the Group. In determining appropriate levels of remuneration for the executive directors, the Remuneration and Nominations Committee aims to provide packages that are competitive in the marketplace and will attract and retain high quality executives capable of achieving the BRE Group's objectives and ultimately those of the Trust. Executive pay is externally benchmarked using Korn Ferry Hay PayNet data. Our remuneration approach is to aim to pay market salaries whilst considering the total cash compensation for executive roles which balance affordability with attracting and retaining the right talent that we need.

The committee members during the financial year were Ashley Hook (Chair) and Paul Hetherington. A third committee member, Kelly Bream, was appointed during Financial Year 23/24.

Introduction

BRE Trust is the leading independent charity dedicated to improving the built environment for the benefit of society. BRE Trust supports this aim by bringing the benefits of applied research – in the form of digital products, standards, testing and certification, training and qualifications – to key sectors in the built environment.

BRE Group provides services that fund the BRE Trust. The work of the BRE Group is focused on the safety, security and sustainability of buildings. BREEAM and LPCB are two of the most significant services that BRE offers. BREEAM is a world-renowned sustainable building benchmarking scheme. LPCB is internationally recognised for its standards around security and safety of construction products and systems. BRE Group also provides systems to monitor health, safety and construction waste, as well as training through the BRE Academy. The Group has provided research and data modelling services to UK government for many years and continues to do so for housing data and methodologies that support the standard assessment procedure underpinning Energy Performance Certificates (EPC's). The Group continues to deliver a wide range of research – and it is this, and innovation, that will form the basis of the Group's future strategic direction.

Purpose

BRE exists to contribute to a thriving and sustainable world by developing science-led solutions to built environment challenges

Our vision is that we want to be:

The world-leading innovation, science, and data hub for the built environment

We continue to work with governments and commercial markets who increasingly recognise the value of our products and services. Our focus is on increasing our reach as an innovative, science-led organisation with a focus on our capabilities in collecting, verifying and modelling data.

Achievements and performance

External climate

ESG priorities are undeniably a driver for our commercial clients. There is an increasing understanding of the value of ESG issues and the need to comply with a raft of regulatory and legislative requirements, many of which ESG data supports. Global standards, largely but not exclusively led by the financial sector, compete to measure the value, performance and potential of individual properties and portfolios.

Building and product safety legislation and regulation is evolving in the UK with the Building Safety Act making significant changes to context in which buildings will be designed, constructed and managed. We continue to assess where our expertise in testing and training can make the most valuable contribution to making buildings safer in the future.

BRE Group is continuing to deepen relationships with all key stakeholders including the UK Government. With issues like climate change, healthy homes and building safety receiving significant public and media attention as the next general election approaches, we will continue to share our research with all interested parties in order to ensure future policy is well informed and evidence based.

BRE Trust Achievements and performance

The BRE Trust uses its reserves and any income received both through gift aid donated by BRE Group and from other external resources to fund new research and education programmes. During the year several students were sponsored by the Trust.

BRE Trust did not undertake any fundraising activity requiring disclosure under S162A of the charities Act 2011.

BRE Group achievements in the year and future opportunities:

Financial Review

The consolidated results for the BRE Trust show a net surplus before tax of £3.8m (2023: £2.8m) for the year on income from charitable activities of £57.4m (2023: £57.9m). Income from charitable activities reduced slightly by 0.9% compared to the previous year, there were increases in our Building Performance Services division but an equivalent reduction due to the completion of the CIH grant work and delays in some contracts with government in the year. There was a smaller reduction in total income of 0.2% while minimising cost increases but general inflation, energy costs and additional legal costs have led to an 1.4% increase in expenditure on charitable activities.

The site has undergone a desktop review of the site valuation at the year end. This resulted in a loss on investment properties of £0.5m as there was a small decrease in the market value of the investment properties. The property held as fixed assets for BRE's use has increased in value by £0.9m.

We have also seen an increase in the deficit on the BRE and LPC Pension Scheme. As of 31 March 2024, the scheme actuaries valued the deficit at £34m compared to £30.0m in the previous year. The main factors contributing to the deterioration are that the actual investment return achieved was lower than that required to match the expected increase in obligations and the actual inflation over the year was higher than previously assumed, however this is partially offset by the contributions paid by the company over the year. There was no full actuarial valuation in this year.

Overall, the movement on funds includes net income of £3.6m, the gain on revaluation of the site of £0.9m and the actuarial loss of £5.7m means that BRE Trust now has funds of £8.9m as at 31 March 2024 decreasing the funds available from 31 March 2023 of £10.0m.

Building Performance Services (BPS)

Building Performance Services (BPS) is a portfolio of products and services incorporating BREEAM, SmartWaste, YellowJacket, Sustainable Products and the BRE Academy. All are the subject for further development as part of the digital transformation that is taking place across our portfolio of products and services. Revenue for the BPS for 2024 was £28.6m (2022/23 £24.4m).

BREEAM is well regarded as being based on science, and rigorous in its approach. The BREEAM revenue at the year to 31 March 2024 was £21.6m (2023: £17.2m). the financial year 24/25 will see the launch of a digital platform for BREEAM as well as Version 7 of BREEAM (V7) both of which will improve the customer experience of the schemes, enable enhanced data collection and reporting and provide a platform for further enhancements.

The BRE Academy is a well-known, well-respected part of BRE. It has a long-standing reputation and has been a consistent contributor to organisational revenue and profits.

The year 2023/24 has seen a consolidation of the services and training offered by the Academy, the appointment of a new leader and the development of a number of key areas for the future including Building Information Management (BIM). The academy achieved an income of £3.5m for 2023/24 (2022/23 £3.8m).

The Academy will strengthen its position in the market during 24/25 by providing more, high quality and better targeted courses delivered both in person and virtually. A new website and Learning Management System, and ecommerce function will all be deployed during 24/25.

Assurance Services

The Assurance division is made up of 4 business units with specialisms in Fire, Security, Built Environment and Audit.

Fire Detection & Electronic Testing (FDET) and the Passive team are the highest revenue earners.

The main source of revenue generation is through our extensive range of test laboratories and our LPCB certification schemes. Revenue for our Assurance division was £21.5m (2022/23 £23.0m).

Innovation

The role of the Innovation division is to lead our research and innovation activities, ensuring that BRE provides impactful thought leadership in pursuit of our purpose. The research and innovation strategy is key to the achievement of our objectives as per our purpose. The revenue for 2023/24 was £6.5m (2022/23 £10.1m).

Income from the Innovation team will now be largely derived from Housing and Energy, and Strategic Advisory teams. Our Energy and Housing teams work with governments internationally to deliver a range of technical services for national net zero policy compliance methodologies This includes research for current and future regulatory compliance for the energy efficiency of buildings.

The Housing and Energy teams, part of our research and innovation division, have focussed on core activity with government departments of DESNZ and DLUHC with the continued delivery of the multi-year English Housing Survey and Standard Assessment Procedure (SAP) programmes. The Housing and Health team continued to secure work delivering modelling for local authorities indicating residential dwellings areas most closely linked with ill health, work that will continue throughout the coming year. 2023 saw the publication by BRE of a follow up report on 'Ignoring the Cost of Poor Housing' which highlighted remediating England's poorest housing could provide £135billion in societal benefits.

Strategic Advisory (Consultancy) is a binding part of the BRE business, building relationships and engaging (internally and externally) to provide a range of solutions largely built around the mitigation of climate change.

International Activities

BRE currently provides services in 90 countries selling mainly BREEAM and LPCB services as well as some advisory products. The target markets for BREEAM are Commercial Real Estate, Construction, Public Sector, Manufacturing and Finance. Those for LPCB are fire, security, and construction product manufacturers, as well as Construction and Infrastructure companies, construction product installers and government contracts.

BRE has 3 satellite offices; in San Francisco covering North America, in Shanghai covering China, and in Dublin covering Ireland and Europe.

Our channel framework includes partners covering Norway, Sweden, Spain, Germany and the Netherlands known as our National Scheme Operators. There are plans to consider expanding this network during 24/25. Assessor relationships and other partnerships are managed by our newly created Customer Experience team who are adopting a key account approach to enable and enhance customer experience and repeat business.

Responsible business

Responsibility is at the heart of our purpose, and we seek to apply a responsible business ethos to every aspect of our business, whether by setting challenging energy performance goals for ourselves, contributing our expertise to the development of public policy, playing our part in our local community, or ensuring that equity, diversity and inclusion are embedded in all our practices. Over the forthcoming three-year plan we will set annual goals, culminating, we hope, in achieving B Corp status. As part of this we will measure the impact we're making, and impact targets will be included in the strategic KPIs of our balanced score card and in our reporting.

Employee engagement and development

Our people are integral to the success of the Group, and we are proud of the commitment and wide-ranging expertise and skills of our colleagues across the business. This year has seen a focus on retaining talent, evidenced by our attrition rate reducing to 8% by the end of the year.

Our resourcing strategy combines the re-deployment and upskilling of existing members of the team with the recruitment of new roles. This has enabled a more sustainable approach to skills development and progression, 18% of vacancies were filled by internal candidates during the year.

For the first time we offered an exceptional pay review at the half year as part of our reward and retention strategy. We remain committed to benchmarking our salaries to the market as part of our value proposition for colleagues.

Employee engagement and development (cont.)

We have made good use of our Talent and Development expertise again this year, building on the success of our behavioural framework, an extensive engagement exercise has taken place to design the technical and operational frameworks. The combined frameworks make up our Profession Builder tool, enabling colleagues to have visibility of potential career paths, understand the levels of competence required access the development opportunities available to them. This complements our established Learning and Development initiatives and will further inform content for leadership development and technical development pathways.

We continue to focus on creating an inclusive environment where we can attract, retain and motivate the very best people. We have been able to utilise the EDI data collected last year to enable us to develop pay gap reports for race, neurodiversity, disability and sexual orientation alongside our gender pay gap report. We will use this data to close any gaps identified. Our EDI forums continue to provide useful insights as we meet with them on a quarterly basis.

BRE Sustainability

At the end of this financial year, we launched our new Sustainable Built Environment Strategy. This strategy outlines our environmental ambitions to 2030 not only for ourselves but for our customers, partners, suppliers, and our wider community. We want to help amplify positive impact from built environment activities and eliminate and reduce harms to our environment. We want to help overcome barriers to the adoption of safe and sustainable construction practices and improve our ability to adapt the built environment to changing conditions.

Our holistic approach continues to reflect the topics covered in our sustainability assessment certifications for master planning, buildings and infrastructure -BREEAM- to comprehensively capture the attributes that define high performing assets. Our goals to 2030 are:

- Energy and emissions: By 2030, reduce Scope 1 and 2 emissions by 50% and Scope 3 emissions by 35% towards achieving net zero emissions by 2045 and champion a fair and just energy transition.
- Materials: Eliminate waste and circulate products and materials at their highest value to help restore, preserve and enhance natural capital.
- Water: By 2030, reduce total water consumption by 25% and support responsible and sustainable water use throughout the operations of assets and associated sites.
- Biodiversity: Raise awareness of our Science Park’s natural environment and enhance its ecological value to help regenerate natural systems and restore biodiversity loss.
- Resilience: Enhance the ability to respond to external shocks and stresses through increasing the resilience of physical assets, protecting natural assets and reducing human vulnerability.
- Health and wellbeing: Champion the delivery of healthy and resilient buildings and spaces that enhance occupant health, safety, and wellbeing.
- Travel and accessibility: Promote the use of sustainable modes of transport and provide sustainable travel measures that reduce costs, congestion and emissions and generate wellbeing benefits.
- Procurement: Embed sustainable sourcing and procurement principles in supply chain management, support our suppliers with their sustainability programmes and promote impact driven financing.

BRE Sustainability (cont.)

Our responsible business team, supported by all areas of the business, monitors and reports on the impact of our operations. Beyond our built environment work with customers and our wider community, our main operational sustainability activities and achievements over the last year include:

- Sustainable building or equipment upgrades – improving the energy efficiency of high energy consuming equipment, replacing old lightbulbs with LEDs, adapting existing spaces for new uses.
- Reviewing the health of our Science Park private electricity network, upgrading existing meters and communication systems, and adding submeters for improved monitoring that supports more targeted interventions and building user engagement around reducing energy use and emissions.
- Maintaining zero non-hazardous waste to landfill, reducing total waste by mass, decreasing the amount of waste going to energy recovery, optimising the use of skips, and working with a supplier to 'close the loop' with our end-of-use IT equipment (refurbish, repair, repurpose, recycle).
- Composting our green waste for on-site use, retaining deadwood in our woodlands, and maintaining wildflower meadows and a small apiary (beekeeping).
- Raising awareness amongst colleagues on the UN Sustainable Development Goals (SDGs) through an intranet campaign (articles), colleague network meetings, a treasure hunt at our Science Park, and an online quiz.
- Monthly 1hr Sustainability Colleague Network interactive and educational sessions on a variety of topics (energy, water, waste, social impact, double materiality, Veganuary, climate change education, Scope 3 emissions, sustainable travel) and an ESG-themed festive quiz.
- Monthly research and innovation knowledge sharing sessions such as understanding the influence of indoor environmental quality (IEQ) on occupant health and wellbeing
- Colleague benefits such as flexible working (around 80% of employees are either on flexible hybrid contracts or fully remote), wellness mobile app, our on-site bus service, and folding bikes
- Maintaining compliance with ISO14001 environmental management, ISO45001 occupational health and safety, and ISO 9001 quality management.

Streamlined energy and carbon reporting (SECR)

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Reporting) Regulations 2018 ("the 2018 Regulations") require us to disclose our annual energy use and greenhouse gas emissions. We have always carefully monitored our energy use and taken steps to reduce our use of energy and minimise our greenhouse gas (GHG) emissions.

We commissioned an independent report from a building services consultancy to analyse the energy and emissions data from our UK activities for the 12 month period to 31 March 2024 and compare results with previous periods. The methodology used is based on the Greenhouse Gas Protocol Corporate Standard 2015. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are indirect emissions (not included in scope 2) that occur in the value chain. Carbon calculations are made from energy usage data and business travel activity (employee expenses claims for miles travelled). Conversion factors are applied using the most recent update of the UK Government GHG Conversion Factors for Company Reporting.

Streamlined energy and carbon reporting (SECR) (cont.)

Table 1 - Energy use and greenhouse gas emissions data

		2023/24		2022/23		2021/22	
Emissions	Source	MWh	tCO_2	MWh	tCO_2	MWh	tCO_2
Scope 1	Natural gas and fuel used in transport[1]	5,202	952	6,034	1,101	6,607	1,210
Scope 2	Purchased electricity	2,840	588	3,970	768	4,346	923
Scope 3	Business travel and electricity transmission and distribution losses	325	129	503	190	219	136
Total scope 1 and 2		8,042	1,540	10,004	1,869	10,953	2,133
Total scope 1, 2 and 3		8,367	1,618	10,507	2,029	11,172	2,269
Floor area (m^2)		27,036		27,036		31,214	
EmIR ($kgCO_2e/m^2$)		61.7		76.2		72.7	
EIR scope 1 and 2 (kWh/m^2)		297.4		370.0		350.9	
EIR scope 1, 2 and 3 (kWh/m^2)		309.5		388.6		357.9	

[1]One company-owned plug-in hybrid electric vehicle

Intensity ratios can be used to compare overall emissions data with an appropriate business metric, such as revenue or floor area, to further enable comparison over time and create benchmarks. As most of our energy is used in the buildings that we occupy, we have selected an energy intensity ratio of kWh/m^2. BRE Science Park consists of numerous buildings occupied by BRE and tenants. Tenanted spaces were deducted from the overall floor area giving a total of 27,036m^2.

We have seen fluctuations in our EIRs over the previous years due to the significant impact of the COVID-19 pandemic. Our ratios this year are around 20% lower than the last financial year. Relevant activity over the last year is presented in the previous section on 'BRE Sustainability'. In addition to our main sustainability activities, we will continue to monitor our new ways of working to better understand building occupancy levels, equipment usage, business travel, and commuting to implement the most effective energy conservation strategies.

Pension Scheme

The FRS102 pension scheme deficit relates to the BRE and LPC Pension Scheme which is the former defined benefit pension scheme operated by Building Research Establishment Limited (BRE Ltd) a subsidiary of the Group. The deficit increased during the year to £34.0m (2023: £30.0m) further details of which are set out in note 19 to the financial statements. This increase in the scheme deficit is in part due to the actual return achieved on assets being lower than required to match the expected increase in the defined benefit obligations and the actual inflation over the year being higher than was previously assumed. The Directors of BRE Ltd consider that since the Company is able to meet all of its short and medium term liabilities, and the nature of the pension scheme deficit is long term, that this does not impact on the Trust as a going concern.

Reserves Policy

BRE Trust has a reserves policy which requires it to maintain reserves at a level equivalent to total committed contract value plus three months of operating costs. This enables the BRE Trustees to manage financial risk and short-term income volatility. Free reserves available for use exclude restricted funds and the fixed assets held as unrestricted funds. Free reserves also exclude any long-term liabilities, and any deficit reported on the pension scheme. Should other funding not be received, the cash reserves should be used to pay committed contracts incurred defined by the notice period of the contract.

At 31 March 2024, committed contract value was £44k and three months operating costs were forecast at £nil which total £44k. BRE Trust has cash of £4.6m to meet these commitments and the excess cash of £4.6m is reflected in net reserves meaning that minimum reserves were being maintained. An investment committee approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching.

The BRE Trustees will review the group reserves each year to assess the value of the reserves required to be held in cash and cash equivalents that are not restricted to any particular purpose. During the year, the Trustees reviewed the total reserves, the operating costs of the Trust and the commitments under long term contracts and have ceased to enter into new long-term commitments pending a full review of the BRE Trust structure and governance model. The Investment Committee approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching. The key activities are the review of progress with the programmes, review of the operations processes, review of the relevant risks and communications and promotions of the programme.

Free reserves	2024 £'000	2023 £'000
Total unrestricted funds	8,452	9,588
Add: Pension liability	34,021	29,956
Net unrestricted funds	42,473	39,544
Less: Unrestricted fixed assets	(19,308)	(18,536)
Total free reserves	23,165	21,008
Represented by:		
Net current and intangible assets	16,499	14,024
Investments	8,522	8,983
Provisions	(1,856)	(1,999)
Total free reserves	23,165	21,008

The net movement in unrestricted funds in the year was a decrease in the unrestricted funds of £0.8m (2023: increase of £4.8m). This due to an increase in the pension liability of £4.1m (2023: decrease of £1.6m) and a gain on revaluation of fixed assets of £0.9m (2023: £1.1m) and net income of £3.6m (2023: £2.6m). The BRE reserves policy is to maintain reserves at a level equivalent to total committed contract value plus three months of operating costs (2024: £16.4m), therefore the reserves are within policy.

Future developments

BRE is continuing to invest heavily in digital development both for our products and our systems and processes. This will significantly enhance customer satisfaction, our growth strategy and the speed at which we can continue to improve our products and services to meet market demand.

Going Concern

BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the significant improvement in the level of reserves, excluding pension impact, and the net surplus of £3.6m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, as well as the budgets for 2025 and 2026 and the cashflow projections for the Trust and BRE Group.

The management team have reviewed the current financial position and the business planning document including budget for the next 3 years. The various revenue streams have been analysed to identify the secured income from committed contracts, run rate of repeated business, price increase, growth ambitions and new strategies. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the level of risk to income by analysing revenue secured through committed contracts, revenue from ongoing long-standing client relationships and where the revenue is more uncertain.

The cost base has also been analysed to consider risk around inflation, staff related cost increases and overheads. We are closely monitoring our cost and procurement is reviewing our sourcing to make it more cost effective and efficient. Details of the BRE Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan designed to get the scheme to self-sufficiency by 2037.

The management team have undertaken a sensitivity analysis under three different scenarios to understand the risk and opportunities in the budget and to ensure the financial position being projected is robust.

BRE's Group cash position of £10.8m at the end of March 24 is a decrease of £0.3m on March 23 of £11.1m due to significant investment in digitalisation and lab improvement program which is being funded by the operation.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank remains in place. This facility, along with the cash reserves held by the Group will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and BRE Group over the next 12 months and in the medium term.

The forecasts for the current financial year and the budgets for 2025 and 2026 have been set out as the base case for the organisation. They include the impact of known capital expenditure as well as provision for some potential risks of assets needing replacement. The review has included sensitivity analysis around the income streams to ensure that in the event of a downturn in the economy the Company would still be able to operate sustainably for the foreseeable future.

Taking all this information together, the BRE Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of BRE Trust and its subsidiaries to continue as a going concern. The BRE Trustees consider the main risks to be those set out in the Risk Management section of this report.

Creditors' payment policy

The Group operates normal trading terms of payment within 45 days of the date of the invoice when making payments to its creditors.

Risk management

There has been a conscious effort to continue to transform risk management within the Group. There is both a principal risk register (owned by the Board) and an operational risk register (owned by the Executive Team). Each employee has an opportunity to feed into the latter. Additionally, the principal risk register has individual risk reports, tabled (deep dives) at the Risk and Audit Committee meetings on a rotational basis.

Further to the above, risk appetite has been formally defined this year. Additionally, a risk management framework has been developed. The coming financial year will focus on the rollout of this framework in addition to embedding it effectively within the organisation.

It is accepted that such a system of risk management can provide only reasonable and not absolute assurance against material misstatement and loss and that the system is designed to provide the Trustees with reasonable assurance that problems are identified on a timely basis and dealt with appropriately and that systems exist to mitigate those risks.

The key principle risks are those identified below with reasons for inclusion and key mitigations.

Key Strategic Risks	Reason for inclusion	Key Mitigation(s)
Governance mechanism/ structure (new)	• Charitable status considerations and the need for strong governance.	• Aligned governance structure between the Trust and Group Board mechanism. • Quarterly Risk and Audit Committee.
Long term financial stability	• A focus on financial metrics is critical to ensuring there is a profit for purpose.	• Robust annual business planning, budgeting, monthly forecasting reviews and cash management. • Maintenance of overdraft facility as mitigation to short term cash flow challenges. • Regular dialogue with pension trustees to maintain options with Escrow funding or reduced pension payments.
Cyber security	• This is a continuous threat that is ever changing and needs constant mitigation as this risk continues to grow with new methods of attack and increased regulation.	• Next generation firewalls and Anti-virus, Anti Malware systems in place. • Security Operations Centre fully functional to monitor key IT infrastructure 24/7. • Web application and secure email gateway in place to reduce attempted phishing attacks. • Annual penetration testing and maintenance of Cyber Essentials Plus certification. • Requirement for third party IT suppliers to have formal certification such as ISO 27001 or CREST. • Systems are continually updated with the latest software patches. • Multi Factor Authentication for user sign-ins and protection against identity theft.

Risk Management (cont.)

Key Strategic Risks	Reason for inclusion	Key Mitigation(s)
Ineffective talent attraction/retention	• People and talent are the cornerstone to success, hence the strategic focus.	• A Wellbeing offering is in place to support colleagues with mental, physical and financial wellbeing. Additionally flexible and remote working options available where circumstances allow. • Regular meetings of the EDI group and Colleague Forum. • Enhanced diversity and inclusion training for people managers and colleagues. • Improved engagement with employees including the continuous performance and development reviews aligned with operational goals with management oversight. • Relevant policies for employees such as promotions (support competency development and career progression) and remuneration (fairness and transparent approach).
Regulatory non-compliance	• A critical part of BRE operations is compliance activity.	• Independent SHE (Safety, Health and Environmental) and Quality and Compliance departments. • A central group management system in place for policies, processes and procedures. • Independent Risk and Internal Audit Department. • Legislation register in place. • Top X Safety Health and Environmental (SHE) risk register to bring increased focus to management of the most significant BRE Health and Safety risks.

Risk Management (cont.)

Key Strategic Risks	Reason for inclusion	Key Mitigation(s)
Reputation and brand strength	• BRE's success is hugely dependent on reputation, particularly with the advent of the Grenfell enquiry.	• Constant press monitoring by Director of Corporate Affairs and Third-Party Press Support. • Pre-prepared statements on likely scenarios and defined internal communication process. • All scientific output follows a clear internal review process before issue. • Grenfell inquiry proceedings are monitored closely and BRE has provided a significant volume of information to assist the inquiry and continues to do so.
Challenges to operational delivery	• Efficient and effective operations are imperative to achieve strong productivity and high standards of customer service.	• External assessments and prompt follow up/resolution of actions. • Independent Quality and Compliance department to assess and validate compliance to our ISO standards. • Measuring and analysing productivity and performance through improved resource utilisation to identify improvements to increase output and better serve customers. Customer complaints/compliments process with escalation points for issues. • Digital transformation programme underway.
Responding to long term trends and issues including climate change and ESG changes	• This is a key focus of BRE's vision.	• Development of a research and innovation strategy. • Product roadmaps developed with industry insight and knowledge by the Product Management team to drive improvements in existing product areas. • Product Innovation Team established to help drive new ideas for products and services.

Statement by the Trustees in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006.

The BRE Trustees consider that both individually and together that they have acted in the way they consider, in good faith, would be most likely to promote the success of BRE Trust for the benefit of its stakeholders as a whole (having regard to the matters set out in s172(1)(a-f) and S172(2) of the Act) in the decisions taken during the year ended 31 March 2024. The following paragraphs summarise how the Trustees fulfil the key elements of these duties.

Business planning and risk management

The BRE Trustees maintain its strategic plan for funding world class research in the built environment and consider long term planning as a critical part of how they ensure they understand the long-term consequences of their decisions. The Trustees recognise the nature of the safety critical services provided by BRE Group to its customers and the need to continue to evolve our approach to the risk management.

Our people

Our people are integral to the success of BRE Group and BRE Trust and we are proud of the passion and wide-ranging expertise and skills of our colleagues across the business. This year, we have invested in programmes and initiatives to mitigate the people impact of the changes in the business and to continue to provide an environment in which our colleagues can contribute, thrive and develop. Further details of which are set out in the Strategic Report under the section on Employee engagement and development.

Business and stakeholder relationships

The success of the organisation is dependent on our relationships with all of our stakeholders which include partners for BRE Trust, our customers for BRE Group as well as all our suppliers and staff. At BRE Trust we have focused heavily on building a network of like-minded organisations to improve research, education and practice in the built environment further details of which are set out in the Strategic Report under the section on Achievements and performance. BRE Group has focused on business development bringing in new commercial resources to work across the product portfolio to gain insight into markets and customers so that we are better able to serve the needs of all our stakeholders.

Community and Environment

The BRE Trustees recognise that the way we construct and manage homes, workplaces and other built assets can have hugely positive impacts on our wellbeing, economic performance and the sustainability and resilience of our built environment. Critical to this and the BRE Trust's core focus is the development of improved products, processes and tools to enhance economic and environmental impacts.

Disclosure of Information to Auditor

Insofar as each of the BRE Trustees of the Group and Charity at the date of approval of this report is aware there is no relevant audit information of which the group and company's auditors is unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group and company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Crowe U.K. LLP will therefore continue in office.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 March 2024

The Trustees (who are also Directors of BRE Trust for the purposes of company law) are responsible for preparing the Trustees' annual report, Strategic report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report, under the Charities Act 2011 and Companies Act 2006, was approved by the Council of Trustees' on 29th July 2024 including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:

Philip Wilbraham
Chair

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

Opinion
We have audited the financial statements of BRE Trust for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2024 and of the group's outgoing resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The Trustees are responsible for the other information contained with the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report and the strategic 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 Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Trustees' responsibilities statement set out on page 20 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 or the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and discussed these between our audit team members. We then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group for fraud. The only other laws and regulations we considered in this context are;

- General Data Protection Regulation (GDPR)
- ISO standards (ISO 17025, ISO 17065, ISO 9001; Quality Management System, ISO 14001: Environmental Management, ISO 45001: Occupational Health and Safety
- Health and safety legislation
- Taxation legislation
- Employment legislation

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income, stage payments income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, designing and implementing audit procedures over income, detailed testing of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Companies House, Charity Commission, OSCR, HMRC, the ICO, Health and Safety Executive (HSE), United Kingdom Accreditation Service (UKAS), Lloyd's Register Quality Assurance (LRQA), the review of internal audit reports and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Cheltenham

29 July 2024

BRE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE COMPANY INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2024

	Note	Restricted Funds 2024 £'000	Unrestricted Funds 2024 £'000	Total Funds 2024 £'000	Restricted Funds 2023 £'000	Unrestricted Funds 2023 £'000	Total Funds 2023 £'000
Income from							
Charitable activities	2	351	57,044	57,395	2,902	55,009	57,911
Other trading activities	3	-	1,868	1,868	-	1,716	1,716
Interest receivable		-	662	662	-	153	153
Total		351	59,574	59,925	2,902	56,878	59,780
Expenditure on							
Charitable activities	4	(353)	(55,352)	(55,705)	(2,784)	(52,132)	(54,916)
(Loss) on investment property revaluation		-	(461)	(461)	-	(2,111)	(2,111)
Net income before tax		(2)	3,761	3,759	118	2,635	2,753
Taxation	8	-	(113)	(113)	-	(123)	(123)
Net income		(2)	3,648	3,646	118	2,512	2,630
Transfers between funds		-	-	-	(3,201)	3,201	-
Other recognised gains/(losses)							
Gain on revaluation of fixed assets	10	-	939	939	-	1,058	1,058
Actuarial (loss) on defined benefit pension scheme	19	-	(5,723)	(5,723)	-	(256)	(256)
Net movement in funds		(2)	(1,136)	(1,138)	(3,083)	6,515	3,432
Reconciliation of funds							
Total funds brought forward	16	409	9,588	9,997	3,492	3,073	6,565
Total funds carried forward		407	8,452	8,859	409	9,588	9,997

The accompanying notes on pages 26 to 48 form an integral part of these financial statements.

BRE TRUST

CONSOLIDATED AND COMPANY BALANCE SHEETS
For the year ended 31 March 2024

	Note	Group 2024 £'000	Group 2023 £'000	Charity 2024 £'000	Charity 2023 £'000
Fixed assets					
Intangible assets	9	8,185	1,682	-	-
Tangible assets	10	19,317	18,545	-	-
Investments	11	8,522	8,983	5,000	5,000
		36,024	29,210	5,000	5,000
Current assets					
Debtors	13	17,918	19,547	-	4
Cash		10,791	11,087	4,632	3,553
Creditors: amounts falling due within one year	14	(19,997)	(17,892)	(106)	(638)
Net current assets		8,712	12,742	4,526	2,919
Total assets less current liabilities		44,736	41,952	9,526	7,919
Provisions for liabilities	15	(1,856)	(1,999)	-	-
Net assets excluding pensions liabilities		42,880	39,953	9,526	7,919
Defined benefit pension scheme liability	19	(34,021)	(29,956)	-	-
Net assets including pension liabilities		8,859	9,997	9,526	7,919
Funds of the Group					
Unrestricted funds:					
General fund	16	34,266	32,276	9,388	7,781
Revaluation reserve	16	8,207	7,268	-	-
Pension reserve	16	(34,021)	(29,956)	-	-
Restricted funds:					
Other reserve	16	9	9	-	-
Income fund	16	398	400	138	138
Total funds		8,859	9,997	9,526	7,919

The total income for the year of the Charity dealt with in the financial statements was £1,642k (2023: £2,722k) and total expenditure was £35k (2023: £87k).

The accompanying notes on pages 26 to 48 form an integral part of these financial statements.
These financial statements were approved by the Trustees on 29th July 2024.

Philip Wilbraham
Chairman
Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Net cash from operating activities	17	7,178	4,326
Cash flows from investing activities			
Interest received		662	153
Acquisition of tangible fixed assets	10	(1,623)	(2,363)
Acquisition of intangible fixed assets	9	(6,513)	(1,739)
Net cash used by investing activities		(7,474)	(3,949)
(Decrease)/Increase in cash and cash equivalents in the year	18	(296)	377
Cash and cash equivalents at the beginning of the reporting period		11,087	10,710
Cash and cash equivalents at the end of the reporting period		10,791	11,087

The accompanying notes on pages 26 to 48 form an integral part of these financial statements.

1 Accounting policies

Charity information

BRE Trust is a company limited by guarantee in England and Wales (registered number 03282856) and is registered as a charity in England and Wales (No. 1092193) and in Scotland (No. SCO39320). The registered office is Bucknalls Lane, Garston, Watford, Hertfordshire, WD25 9XX.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. BRE Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

The Group financial statements consolidate the financial statements of the Charitable Company and its subsidiary undertakings drawn up to 31 March each year. With the exception of BRE China the financial statements of subsidiaries are prepared for the same reporting year as the Trust using consistent accounting policies. Even though BRE China has a 31 December reporting date the consolidated accounts include its results for the 12 months to 31 March 2024. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition or up to the date of disposal.

Details of the principal subsidiary undertakings are shown in note 12. Transactions or balances between BRE Trust Group entities have been eliminated on consolidation and are not reported.

Critical accounting judgements and estimation uncertainty

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates which could differ from actual outcomes. The items in the financial statements where these judgements and estimates have been made are:

- Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured using a percentage completion method.
- The provisions made in respect of bad or doubtful debts which is based on historical experience of our debtors and specific knowledge of individual bad debts.
- The assumptions used to value the defined benefit pension scheme obligations and other defined benefit plans, which are based on best estimates of the discount rate to apply and inflation rates, further details of which are set out in note 19 to these financial statements,
- Impairment and valuation of non-current assets and the remaining useful life of assets which is based on future plans for the use of the assets.

Going concern

BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the significant improvement in the level of reserves, excluding pension impact, and the net income of £3.6m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, as well as the budgets for 2025 and 2026 and the cashflow projections for the Trust and BRE Group. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the risks to income by looking at where the revenue is secure through committed contracts, where there are ongoing long-standing client relationships and where the revenue is more uncertain.

1 Accounting policies (cont.)

Going concern (cont.)

The cost base has also been analysed to consider risk around inflation, high energy prices, staff related cost increases. The business plan has considered risks such as uncertainties in the external market including the energy crises made worse by the political climate of Ukraine and Russia. The procurement team is reviewing our sourcing to make it more cost effective and efficient. Details of the BRE Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan designed to get the scheme to self-sufficiency by 2037.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank remains in place. This facility along with the cash held by the Group will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and the Group over the next 12 months and in the medium term.

Taking all this information together the Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the Group to continue as a going concern.

Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item of income has been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met and where it is probable that the income will be received, and the amount can be measured reliably.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover reflecting the proportion of work completed to date on the project.

Funds

All funds of the Charity and the Group are unrestricted funds, with the exception of a number of individual grant funded projects, which are restricted. Unrestricted funds are available for the Trustees to apply to research activities that are in accordance with the objects of the Trust. Restricted funds are used for research governed by any conditions accepted at the time the funds are received.

Expenditure

All expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are allocated to the different categories of activities. This is based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. Support costs include processing and administration, human resources, information technology and facilities costs.

Governance costs are included within support costs and include strategic planning costs for the Trust's future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and for preparing statutory financial statements and satisfying public accountability.

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

1 Accounting policies (cont.)

Operating Leases

Operating leases and the payments made under them are charged to the statement of financial activities on a straight-line basis over the lease term. The Group also lets some of its property on short term leases of five years or less which are classified as operating leases. Lease income is recognised on a straight-line basis over the lease term.

Research and development

All research expenditure is charged to the statement of financial activities in the period in which it is incurred. The development costs incurred in the creation of new software products and tools are capitalised under intangibles.

Taxation

BRE Trust is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Trust's UK subsidiary companies give all their taxable profits to the Charity, normally resulting in no liability to corporation tax. Tax is payable by overseas subsidiaries in accordance with local regulations.

Intangible assets

Purchased goodwill is capitalised and amortised over its useful economic life, which is determined on a case-by-case basis but does not exceed 5 years.

Expenditure incurred in the development or purchase of software and the purchase of licence agreements is capitalised and written off over the useful economic life of the asset and will not exceed 20 years.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and stated at cost or valuation less depreciation. The fair value of land and buildings is determined from a market-based appraisal undertaken by a professionally qualified valuer every three years and the latest full valuation was undertaken in the year ended 31 March 2022. Assets are reviewed annually for any impairment in value, and as a result of this review a desktop valuation was undertaken this year.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis, as shown below:

Leasehold Improvements	8 years
Freehold buildings	5-20 years
Plant and machinery	3-10 years
Fixtures and fittings	7 years
Motor vehicles	3-10 years

No depreciation is provided on freehold land.

Investment property

Property that is held for long-term rental or is being developed for future rental is classified as investment property. The fair value of land and buildings is determined by a market-based appraisal undertaken by a professionally qualified valuer every three years and the next full valuation will be undertaken in 2025. Changes in fair value are recognised in the Statement of Financial Activities. Assets are reviewed annually for any impairment in value, and as a result of recent economic conditions, including turbulence within the property market, a desktop valuation was commissioned to assist with the assessment of valuation at the year end.

1 Accounting policies (cont.)

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Within provisions is an amount for enhanced redundancy benefits where some employees over 50 years of age can translate part of their redundancy entitlement into an annual compensation payment. A provision is made for the future amounts payable over the estimated life expectancy of the ex-employees.

Cash

Cash balances are part of the Group's working capital and are kept on current account or short-term deposit.

Basic financial instruments

Debtors

Debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financial transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Creditors

Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Investments in subsidiaries, jointly controlled entities and associates

Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

Foreign currencies
Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any exchange differences are dealt with through the Statement of Financial Activities.

The statement of financial activities, assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Gains and losses arising from the translation of opening balances and long-term loans are taken to the Statement of Financial Activities.

Post – retirement benefits
Building Research Establishment Limited operated defined benefit pension schemes providing benefits based on final pensionable pay. The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC Scheme at 31 March 2009. The two schemes were merged together during 2016 forming the BRE and LPC Pension Scheme. The assets of the scheme are held separately from those of the Trust and the trading subsidiaries.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

1 Accounting policies (cont.)

Post – retirement benefits

The defined benefit obligations as at 31 March 2025 for this FRS102 valuation represent an update of the previous year's FRS102 liabilities with allowance made for benefits paid out to members for the year and price inflation over the year. All other experience is assumed to be in line with the assumptions at the start of the year. An adjustment has then been made to the value of the defined benefit obligations for changes in the assumptions as set out in note 19.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Building Research Establishment Limited also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust and its subsidiaries in an independently administered fund. The pension costs charged against net income are the contributions payable to the scheme in respect of the accounting period.

2 Income

	2024 £'000	2023 £'000
Advisory services on building performance, construction and fire safety	13,806	16,012
Provision of third-party assurance services	43,238	38,650
Services delivered to government	351	3,249
	57,395	57,911

Included in services delivered to government are amounts totalling £351k (2023: £3,249k) which are government grants for undertaking research projects for which there are no unfulfilled conditions.

3 Other trading income

	2024 £'000	2023 £'000
Other rental income	1,441	1,200
Other trading income	167	516
Tax credits	260	-
	1,868	1,716

4 Expenditure

Charitable activities

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Activities undertaken directly	900	7,727	24,207	190	33,024	32,650
Grant funding of activities	-	25	-	-	25	87
Support costs	617	5,315	16,594	130	22,656	22,179
	1,517	13,067	40,801	320	55,705	54,916

Analysis of support costs

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Legal and professional	143	1,478	3,533	297	5,451	6,218
IT	141	1,453	3,474	292	5,360	4,010
HR	46	476	1,137	96	1,755	1,649
Marketing	51	524	1,254	105	1,934	2,196
Facilities	128	1,327	3,171	267	4,893	4,026
Other	85	885	2,115	178	3,263	4,080
	594	6,143	14,684	1,235	22,656	22,179

Included within Support costs are the following governance costs:

	2024 £'000	2023 £'000
Auditor's remuneration:		
Audit of Group and subsidiary financial statements	93	82
Amounts receivable by auditor and associates in respect of:		
Services relating to taxation	14	13

Expenditure on research and development recognised as an expense totalled £937k (2023: £1,698k).

5 Staff costs and numbers

	2024 £'000	2023 £'000
Group staff costs during the period amounted to:		
Wages and salaries	27,902	25,151
Social security costs	2,727	2,570
Other pension costs	4,245	3,847
Operating costs of the defined benefit pension scheme	526	668
	35,400	32,236

Included in other pension costs are contributions made by Building Research Establishment Ltd of £3,068k (2023: £2,778k) to the closed BRE and LPC defined benefit Pension Scheme.

During the year redundancy and termination payments totalling £134k (2023: £288k) were made in agreement with the employees, who were provided with independent legal advice, to compensate them for loss of employment arising from their employment with the Group ceasing.

The executive team (who are considered key management personnel) consisting of 4 individuals were paid a total of £687k (2023: 4 individuals were paid £792k).

The average number of employees (including directors) during the year was as follows:

	2024	2023
Research staff	483	480
Support staff	110	91
	593	571

The number of regular employees whose pay and taxable benefits exceeded £60,000 fell within the following bands:

Salary band	2024	2023
£60,000 - £69,999	34	28
£70,000 - £79,999	25	22
£80,000 - £89,999	10	5
£90,000 - £99,999	3	3
£100,000 - £109,999	5	2
£110,000 - £119,999	4	3
£120,000 - £129,999	2	1
£130,000 - £139,999	-	1
£140,000 - £149,999	1	1
£150,000 - £159,999	3	1
£170,000 - £179,999	-	3
£180,000 - £189,999	1	-
£200,000 - £209,999	1	-
£210,000 - £219,999	1	-
£220,000 - £229,999	-	1
£270,000 - £279,999	-	1

5 Staff costs and numbers (cont.)

The total employer contributions in the year for provision of money purchase pension benefits for higher paid employees were £350k (2023: £271k). The number of higher paid employees (i.e. greater than £60k) to whom pension benefits are accruing under money purchase schemes was 79 (2023: 64).

6 Trustees' remuneration and expenses

No Trustee earned any remuneration in either 2024 or 2023. Out of pocket expenses incurred by 1 (2023: 2) Trustees in the furtherance of their duties are reimbursed at cost and totalled £84 (2023: £426). The whole of this amount related to travel and out of pocket expenses.

7 Other finance costs

	2024 £'000	2023 £'000
Expected return on pension scheme assets	3,256	2,594
Interest on pension scheme liabilities	(4,608)	(3,439)
Past service cost (incl. curtailments)	(58)	(46)
	(1,410)	(891)

8 Taxation

BRE Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The tax charge for the period is lower than the standard rate of corporation tax in the UK of 25%. The differences are explained below.

	2024 £'000	2023 £'000
Current tax		
UK corporation tax on profit for the year	-	86
Adjustment in respect of previous year	113	37
	113	123

8 Taxation (cont.)

	2024	2023
	£'000	£'000
Tax reconciliation		
Profit on ordinary activities before tax	3,759	2,753
Tax using the UK corporation tax rate of 25% (2023: 19%)	940	523
Effects of:		
Expenses not deductible for tax purposes	158	402
Other permanent differences	(382)	-
R&D expenditure credits	(65)	-
Consolidation adjustments	15	71
Adjustment in respect of prior periods	113	37
Deferred tax not recognised	(666)	(910)
Total tax charge	113	123

9 Intangible fixed assets

Group	Software	Assets under construction	Other Intangibles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2023	6,026	1,664	497	8,187
Additions	487	6,026	-	6,513
Disposals	(3,411)	-	-	(3,411)
Reclassification	74	(74)	-	-
At 31 March 2024	3,176	7,616	497	11,289
Amortisation				
At 1 April 2023	6,008	-	497	6,505
Charge for the year	10	-	-	10
On disposals	(3,411)	-	-	(3,411)
At 31 March 2024	2,607	-	497	3,104
Net book value				
At 31 March 2024	569	7,616	-	8,185
At 31 March 2023	18	1,664	-	1,682

The Group had capital commitments for software of £2,681k (2023: £551k).

10 Tangible fixed assets

Group	Freehold Land and Buildings	Assets under construction	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2023	25,332	-	12,556	1,192	67	39,147
Additions	39	198	998	388	-	1,623
Disposals	(2,760)	-	(7,854)	(366)	(28)	(11,008)
Revaluation gain	939	-	-	-	-	939
At 31 March 2024	23,550	198	5,700	1,214	39	30,701
	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation						
At 1 April 2023	9,455	-	10,346	761	40	20,602
Charge for year	643	-	993	148	6	1,790
On Disposals	(2,760)	-	(7,854)	(366)	(28)	(11,008)
At 31 March 2024	7,338	-	3,485	543	18	11,384
Net Book Value						
At 31 March 2024	16,212	198	2,215	671	21	19,317
At 31 March 2023	15,877	-	2,210	431	27	18,545

Freehold land is not depreciated. As at 31 March 2024, freehold land and buildings is held at the revalued amount of £16.2 million. The comparable cost and net book value at that date determined under the historical cost accounting rules would have been £9.9m and £7.2m respectively. A full valuation was performed on 23 March 2022 by Christian Glazier (MRICS) of BNP Paribas Real Estate. The valuation was prepared in accordance with Professional Standard 2 of the RICS Valuation – Global Standards 2021 effective 31 January 2022, the International Valuation Standards and the UK National Supplement 2018, effective 14 January 2019. The value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The directors revalued the freehold land and buildings at 31 March 2024 following a desktop valuation undertaken by BNP Paribas Real Estates.

All tangible fixed assets are used in the commercial trading organisations. The land and buildings let to third parties has been transferred to investment properties.
No tangible fixed assets are owned by the Trust.

11 Fixed asset investments

	Group Investment Properties £'000	Charity Interest in subsidiary undertakings £'000
At 1 April 2023	8,983	5,000
Loss on revaluation	(461)	-
At 31 March 2024	8,522	5,000

As at 31 March 2024, group investment properties were held at the revalued amount of £8.5m**.** The directors revalued the investment properties at 31 March 2024 following a desktop valuation undertaken by BNP Paribas Real Estates as detailed in note 10.

11 Fixed asset investments (cont.)

The trading results of the operating subsidiaries of the Group are:

	Building Research Establishment Limited	BRE Global Limited	Constructing Excellence Limited	Ceequal Limited	BRE China	BRE Ireland
	2024	2024	2024	2024	2024	2024
Summary profit and loss account	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	14,108	43,794	255	51	467	389
Operating costs	(36,028)	(41,352)	(409)	(22)	(384)	(385)
Other operating income	24,750	-	-	-	-	21
Loss on revaluation of investment property	(461)	-	-	-	-	-
Operating profit/(loss)	2,369	2,442	(154)	29	83	25
Interest receivable	547	-	-	-	-	-
Interest payable	(3)	-	-	-	-	-
Other finance costs	(1,410)	-	-	-	-	-
Actuarial gain/(loss) on defined benefit pension	(5,723)	-	-	-	-	-
Revaluation of land and buildings	939	-	-	-	-	-
Net result	(3,281)	2,442	(154)	29	83	25
Taxation	166	(272)	-	(7)	-	-
Retained in the subsidiary	(3,115)	2,170	(154)	22	83	25
Assets and liabilities of the subsidiary						
Fixed assets	34,407	2,599	-	-	-	-
Current assets	16,540	26,920	135	997	657	107
Creditors falling due within one year	(30,116)	(9,407)	(272)	(60)	(1,417)	(154)
Total assets less current liabilities	20,831	20,112	(137)	937	(760)	(47)
Provision for liabilities	(1,856)	-	-	-	-	-
Pension scheme liabilities	(34,021)	-	-	-	-	-
Deferred capital grant	(185)	-	-	-	-	-
Total funds	(15,231)	20,112	(137)	937	(760)	(47)

12 Subsidiary and associate undertakings

The undertakings in which the Group's interest at 31 March 2024 was more than 20% were as follows:

	Interest in ordinary share capital	Activity
Trading Companies:		
BRE Group Limited (02704081)	100%	Management of subsidiary company operations
Building Research Establishment Limited (03319324) [α]	100%	Advisory services and information on building performance, construction and fire safety
BRE Global Limited (08961297)[α]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Building Research Establishment Shenzhen Limited (91440300358776938Y)*	100%	Sustainability and training
Ceequal Limited (04568928)[+]	100%	Methodologies for sustainable infrastructure projects
Constructing Excellence Limited (04641522)*[>]	N/A	Co-ordination of member led performance improvement network
BRE Global Assurance (Ireland) Limited (602123)[α]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Non-Trading Companies:		
BRE Certification (03548352)[+ #]	100%	
BRE International Limited (01915620)* [#]	100%	
BRE Canada Inc (2279888)* [#]	100%	
EFSG Limited (02971676) * [#>]	N/A	
The Loss Prevention Certification Board Limited (01907862)* [#]	100%	
Building Performance Group Limited (01573939)* [#]	100%	
BRE America Holdings Inc (5984258)*[#]	100%	Holding company

***** Held through Building Research Establishment Limited
[α]Held through BRE Group Limited
[+] Held through BRE Global Limited
[#] Dormant company
[>] Company limited by guarantee

All of the subsidiaries and associates are registered in England and Wales with the exception of BRE America Holdings Inc, which is registered in the United States, BRE Canada Inc which is registered in Canada, Building Research Establishment Shenzhen Limited which is registered in China, BRE Global Assurance (Ireland) Limited which is registered in Ireland.

13 Debtors

	2024 £'000 Group	2024 £'000 Charity	2023 £'000 Group	2023 £'000 Charity
Trade debtors	8,115	-	10,760	-
Amounts recoverable on contracts	1,027	-	1,477	-
Other debtors	4,760	-	4,644	-
VAT and other taxes recoverable	2,002	-	963	4
Prepayments	2,014	-	1,703	-
	17,918	-	19,547	4

14 Creditors: amounts falling due within one year

	2024 £'000 Group	2024 £'000 Charity	2023 £'000 Group	2023 £'000 Charity
Deferred income	8,312	-	9,251	-
Trade creditors	4,108	-	2,530	-
Amounts due to group undertakings	-	81	-	590
Social security and other taxes	1,812	-	1,816	-
Corporation tax	-	-	-	-
Other creditors	974	-	857	-
Accruals	4,791	25	3,438	48
	19,997	106	17,892	638

Deferred income movement:

	Group £'000	Charity £'000
Balance at 1 April 2023	9,251	-
Amount released in the year	(5,531)	-
Amount deferred in the year	4,592	-
Balance at 31 March 2024	8,312	-

Deferred income arises where services have been invoiced but the performance conditions in relation to part of the amount invoiced have not yet been met.

15 Provision for liabilities

Future amounts payable relating to:	Former Directors' Future liabilities	Restructuring	Post retirement future liabilities	Total
	£'000	£'000	£'000	£'000
Group:				
At 1 April 2023	203	96	1,700	1,999
Utilised in the year	-	(73)	(138)	(211)
Charge to the Statement of Financial Activities	(35)	188	(85)	68
At 31 March 2024	168	211	1,477	1,856

The post retirement future liabilities is a provision made to reflect a liability to make future payments to some ex-employees who were made redundant when over the age of 50 and have translated part of their entitlement into an annual compensation payment payable for life.

Former directors' future liabilities is a provision made in respect of two previous directors of the Group who were provided with post-retirement benefits to match benefits received by other executives in the company who were on an enhanced executive category pension arrangement.

The timing of the cash outlays in respect of these provisions is uncertain but should not exceed £135k in the next financial year.

16 Reserves

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2023	32,276	(29,956)	7,268	9,588	9	400	409
Net income for the year	2,451	1,658	-	4,109	-	(2)	(2)
Gain on revaluation of tangible fixed assets	-	-	939	939	-	-	-
Actuarial loss recognised in defined benefit pension	-	(5,723)	-	(5,723)	-	-	-
Loss on revaluation of investment properties	(461)	-	-	(461)	-	-	-
At 31 March 2024	34,266	(34,021)	8,207	8,452	9	398	407

16 Reserves (cont.)

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserve Restricted £'000	Capital Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2022	19,705	(31,587)	14,955	3,073	9	3,083	400	3,492
Net income for the year	625	1,887	-	2,512	-	118	-	118
Transfer between funds	3,201	-	-	3,201	-	(3,201)	-	(3,201)
Gain on revaluation of tangible fixed assets	-	-	1,058	1,058	-	-	-	-
Actuarial loss recognised in defined benefit pension	-	(256)	-	(256)	-	-	-	-
Transfer investment properties revaluation	8,745	-	(8,745)	-	-	-	-	-
At 31 March 2023	32,276	(29,956)	7,268	9,588	9	-	400	409

The transfer between funds in the year ended 31 March 2023 (£3.2m) relates to assets under the LEP and CIH grants.

The general fund is the amount of unrestricted funds after allowing for total fixed assets, any commitments not recognised in the accounts and all designated funds. The revaluation reserve is the value of unrestricted funds represented by the freehold land and buildings owned and used by the Group and its subsidiaries on an ongoing basis.

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
At 1 April 2023	7,781	138	7,919
Net funds for the year	1,607	-	1,607
At 31 March 2024	9,388	138	9,526

16 Reserves (cont.)

Charity

	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000
At 1 April 2022	5,146	138	5,284
Net funds for the year	2,635	-	2,635
At 31 March 2023	7,781	138	7,919

The net funds for the year of the Charity dealt with in the financial statements was £1,607k (2023: £2,635k).

Restricted funds are used to promote sustainable approaches to relief, recovery and reconstruction after a natural disaster. Other restricted reserves relate to the PIA (payment in advance) on grant projects. Income restricted reserves relate to the accumulated Statement of Financial Activities funds held by the individual Trust entity.

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Restricted Reserve	Income Restricted Reserves	Total
	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2024 £'000
Intangible	8,185	-	-	-	-	8,185
Tangible	11,101	-	8,207	9	-	19,317
Investments	8,522	-	-	-	-	8,522
Net current assets	8,314	-	-	-	398	8,712
Provisions	(1,856)				-	(1,856)
Pension scheme liability	-	(34,021)	-	-	-	(34,021)
	34,266	(34,021)	8,207	9	398	8,859

2023 Comparative

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Restricted Reserve	Income Restricted Reserves	Total
	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000
Intangible	1,682	-	-	-	-	1,682
Tangible	11,268	-	7,268	9	-	18,545
Investments	8,983	-	-	-	-	8,983
Net current assets	12,342	-	-	-	400	12,742
Provisions	(1,999)	-	-	-	-	(1,999)
Pension scheme liability	-	(29,956)	-	-	-	(29,956)
	32,276	(29,956)	7,268	9	400	9,997

17 Cash flows from operating activities

	2024 £'000	2023 £'000
Net income before tax	3,759	2,753
Adjustments for:		
Interest receivable	(662)	(153)
Depreciation, amortisation and impairment	1,800	2,232
Loss on revaluation of investment properties	461	2,111
Loss on disposal of fixed assets	-	497
Taxation	(113)	(123)
Pension and other finance costs	1,410	891
Pension deficit funding contributions	(3,068)	(2,778)
Movement in working capital:		
Decrease / (increase) in debtors	1,629	(106)
Increase / (decrease) in creditors (exc. taxation)	2,305	(87)
Decrease in provisions	(143)	(204)
Taxation paid	(200)	(707)
Net cash from operating activities	7,178	4,326

18 Analysis of change in net funds

	At 1 April 2023 £'000	Cash flow £'000	At 31 March 2024 £'000
Cash at bank	11,087	(296)	10,791
Cash and cash equivalents	11,087	(296)	10,791

19 Pensions

The Group established a defined contribution stakeholder scheme for employees who commenced employment after 1 January 2002. The Group contributes up to 5% of salary so long as the members do the same. However, members can contribute a higher amount if they wish to do so. Contributions to the stakeholder scheme amounting to £237k (2023: £200k) were payable at 31 March 2024 and are included in creditors. The assets of the stakeholder scheme are invested with Scottish Widows.

The Group formerly operated two funded defined benefit pension schemes, one for the employees who transferred from LPC (the LPC Scheme) and one for other employees of the Trust and its subsidiaries who commenced employment before 31 December 2001 (the BRE Scheme). The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC scheme at 31 March 2009. The two schemes were merged together during the year ended 31 March 2016 forming the BRE and LPC Pension Scheme. Members of the BRE and LPC Pension Scheme have also been offered membership of the Groups defined contribution stakeholder scheme on the same terms as other members.

19 Pensions (cont.)

The pension cost for the year represents contributions payable by the Group to the BRE and LPC Pension Scheme and amounted to £3,068k (2023: £2,778k). All the pension costs relate to unrestricted funds and have been allocated between activities based on the level of income for the year. The assets of the defined benefit schemes are managed by Aon Fund Managers held separately from those of the Group, being invested with Ruffer, Schroders, BGO, AIL and the DRC Fund.

Management charges of £528k (2023: £547k) were incurred in respect of the BRE and LPC Pension Scheme. Contributions to this scheme amounting to £268k (2023: £247k) were payable at 31 March 2024 and are included in creditors. Monthly contributions to the schemes are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Under a 'recovery plan' agreed with the pension trustees (and submitted to the Regulator) the deficit on the BRE and LPC Pension Scheme is partially secured by a direct charge over the Garston site in favour of the pension fund.

The major assumptions used by the actuary were:

	Combined Scheme 2024 %pa	Combined Scheme 2023 %pa	Combined Scheme 2022 %pa
Rate of increase in salaries	2.70	2.70	2.80
Discount rate for calculation of benefits	4.90	4.80	2.80
Inflation (RPI)	3.10	3.10	3.50
Inflation (CPI)	2.70	2.70	2.80

In valuing the liabilities of the pension fund at 31 March 2024, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting an individual, on retirement, to live for a number of years as follows:

The BRE and LPC Pension Scheme

- Current pensioner aged 65: 21.2 years (male) and 23.6 (female)
- Future retiree (aged 45) upon reaching 65: 22.4 years (male) and 25.1 (female)

The assumptions used by the actuary are the Group's best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The asset valuations of the scheme at 31 March 2024 amounted to £63,122k (2023: £68,623k) for the BRE and LPC Pension Scheme. These amounts were sufficient to cover 65% (2023: 70%) of the benefits that had accrued to members.

19 Pensions (cont.)

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long years and thus inherently uncertain, were:

	2024 £'000	2023 £'000
Present value of funded defined benefit obligations	(97,143)	(98,579)
Fair value of assets	63,122	68,623
Net deficit	(34,021)	(29,956)

Movements in present value of defined benefit obligation	2024 £'000	2023 £'000
At 1 April	98,579	125,010
Interest on obligation	4,608	3,439
Actuarial (gain)	(894)	(25,537)
Benefits paid	(5,208)	(4,379)
Past service cost (incl. curtailments)	58	46
At 31 March	97,143	98,579

Movements in fair value of assets	2024 £'000	2023 £'000
At 1 April	68,623	93,423
Expected return on assets	3,256	2,594
Actuarial (loss) / gain	(6,617)	(25,793)
Contributions by employer	3,068	2,778
Benefits paid	(5,208)	(4,379)
At 31 March	63,122	68,623

Amounts recognised in the Consolidated Statement of Financial Activities

	2024 £'000	2023 £'000
Interest on defined benefit obligations	(4,608)	(3,439)
Expected return on assets	3,256	2,594
Past service cost (incl. curtailments)	(58)	(46)
Resources expended (included in other finance costs)	(1,410)	(891)

19 Pensions (cont.)

	2024 £'000	2023 £'000
Actual return less expected return on assets	(6,617)	(25,793)
Experience gain on liabilities	(2,933)	(6,677)
Change in assumptions underlying the present value of the liabilities	3,827	32,214
Actuarial (loss)/gain	(5,723)	(256)

Assets

Actual return on the scheme assets during the year:

	2024 £'000	2023 £'000
Return on assets excluding interest	(6,617)	(25,793)
Interest income on assets	3,256	2,594
Actual return on scheme assts	(3,361)	(23,199)

In relation to the FRS102 disclosure no deferred tax has been provided on the net deficit of the scheme as no tax liabilities or benefits are expected to arise for the foreseeable future.

The Group expects to contribute approximately £3,358k to the defined benefit scheme in the next financial year.

20 Leases

At 31 March 2024 the Group had future minimum lease payments under non-cancellable operating lease arrangements as follows:

During the year £384k was recognised as an expense in the Statement of Financial Activities in respect of operating leases (2023: £334k)

Plant and machinery expiring:	2024 £'000	2023 £'000
Not later than one year	67	38
Later than one year and not later than five years	143	68
	210	106

20 Leases (continued)

Land and Buildings expiring:	2024 £'000	2023 £'000
Not later than one year	276	208
Later than one year but not later than five years	826	711
Later than five years	-	176
	1,102	1,095

At 31 March 2024, the Group had expected future minimum lease receipts under non-cancellable operating leases as follows:

Future anticipated Lessor income	2024 £'000	2023 £'000
Not later than one year	361	360
Later than one year and not later than five years	312	590
Later than five years	144	158
	817	1,108

21 Related party transactions

Trustees and directors
Due to the nature of the Trust's operations and the composition of the Trustees (holding other executive and non-executive roles) from time-to-time transactions will take place with organisations in which a member of the Trustees may have an interest. All transactions involving organisations in which a member of the Trustees may have an interest are conducted at arm's length and in accordance with the Trust's financial regulations and normal sales or procurement procedures. Trustees are required to complete a declaration of interest each year.

J N Solutions Limited is not a related party in 2024, however in 2023 transactions with the company totalled £173,000. Andrew Herbert is a director of J N Solutions. The amount outstanding at 31 March 2023 was £nil. There are no other related party transactions that require disclosure.

At 31 March 2024, there were intercompany payables from the Trust amounting to £81k (2023: payables from the Trust: £590k) outstanding between the Trust and its subsidiaries.

BRE TRUST

England & Wales - Charity number 1092193

Accounts

BRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 MARCH 2023

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

BRE TRUST

FINANCIAL STATEMENTS
For the year ended - 31 March 2023

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Registered office:	Bucknalls Lane Garston Watford Hertfordshire WD25 9XX
Bankers:	Barclays Bank PLC 1 Churchill Place London E14 5HP
Independent Auditors:	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR

BRE Trustees report

The Council of Trustees has pleasure in presenting its report together with the Audited Financial Statements for the year ended 31 March 2023.

Objects and activities

As a charity all the Trust's activities must at all times conform with the statement of 'objects' given in the governing documents, the Articles of Association.

The Trust's objects are for the public benefit:

- to undertake, commission and support research in areas of science, engineering, information technology, management and economics associated with the built environment, including its processes and artefacts;
- to advance knowledge, innovation, and communication, and to promote education and excellence, in all such matters, and to collect, collate and publish useful information, ideas, and data relating thereto; and
- to undertake, commission, facilitate and support such other activities and services as are beneficial to the built environment and charitable in law in accordance with law of England and Wales provided that it will not include any purpose which is not charitable in accordance with s.7 of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission. During the year the Trustees undertook a major review of the governance structure of the Trust and subsidiaries. An investment committee has been set up to ensure the public benefit requirements are met and BRE Trust continue to sponsor several students for their projects on the built environment.

Structure, governance and management

BRE Trust (the "Trust") is a company limited by guarantee (Company number 03282856) and is registered as a charity in England and Wales (No 1092193) and in Scotland (No SCO39320). The Trust was established to provide independent, non-sectorial ownership of the Building Research Establishment, an Executive Agency of the Department of the Environment, when it was transferred to the private sector in March 1997. The Trust is governed by its most recent Articles of Association which were approved by a meeting of members on 6th March 2019. In addition, the Trust provides independent ownership of BRE Group Limited ('BRE Group') which in turn is the owner of businesses resulting from the privatisation of the Building Research Establishment. The Trust protects the independence of BRE Group to ensure that its advice and research remain objective and free from bias. BRE Group continues to have a strong reputation, both nationally and in the international arena, as an impartial and respected consultancy, science and research organisation.

BRE Group Limited is the holding company for Building Research Establishment Limited, BRE Global Limited which are established in England and Wales and BRE Global Assurance (Ireland) Limited, a company established and resident in the Republic of Ireland. These subsidiaries in turn are owners of other trading companies in the UK and the People's Republic of China.

This ownership structure means that:

- BRE Trust has the flexibility, freedom and separation from its investments to promote and carry out its charitable objectives for the public good; and
- BRE Group and its subsidiary companies can maintain independence from each other to meet regulatory requirements.

Trustees and Officers of the Charity

The governing body of the Trust is its Council of Trustees which comprises at least five and no more than ten Trustees at any one point in time. The Directors of the company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the "Trustees".

The term of office for a Trustee is three years and Trustees may serve for three terms. New Trustees are familiarised with the workings of the Trust, its policies, procedures and governance through an induction programme consisting of visits to the head office, meetings with key personnel and officers of BRE Group together with more formal training including ongoing training and support.

The Trustees and Officers serving during the year and up to the time of signing these accounts were as follows:

Trustees	Appointed	Resigned
Philip Wilbraham, Chairman	7 June 2018	
Paul Hetherington	3 June 2019	29 March 2023
Ashley Hook	18 March 2020	
Gary Mills	29 March 2023	
Prof. Vicky Pope	29 March 2019	
Jonathan Rickard	3 June 2019	
David Reid	26 May 2023	
Kelly Bream	30 June 2023	
Linda Chandler	05 July 2023	

Company Secretary

Dr Paul Conroy

Board Tenure, Gender Diversity and Meetings

As at 31 March 2023, the tenure and diversity of the Trust board was as follows:

Tenure		Gender Diversity	
< 1 Year	20%	Female	20%
1-3 Years	0%	Male	80%
3-6 Years	80%		

The Board met five times in 2022/23, 11 April 2022, 27 July 2022, 31 October 2022, 5 December 2022 and 6 February 2023.

Executive Staff

The Trustees have delegated certain operational management of the Trust's affairs to Gillian Charlesworth, the CEO of BRE Group who in turn delegates all operational functions to the BRE Group. BRE Group continues to provide support to the Trust to assist in the day-to-day management of its activities. Paul Conroy provides legal and governance support to the Trustees.

Governance Framework

The Trust has adopted the Charity Governance Code for Larger Charities as the basis for its governance. The Code sets the principles and recommends good governance for charities. The Trust measures itself against the seven principles and the recommendations and guidance they provide to ensure the continuous improvement and highest standards of governance.

As part of the drive for continuous improvement the Trustees and Directors of BRE Group established a working party called the Future Governance and Strategic Review Group during the 2021/22 financial year to look at the options for the structure and governance of BRE Trust and Group. The recommendations of the working party were implemented during the 2022/23 financial year.

Governance Framework (cont.)

Following this review, the Trustees agreed to a number of changes in the board of directors of BRE Group as well as in the committee structure. Piers White retired from the board of BRE Group at the end of March 2022 and Phil Wilbraham was appointed to the BRE Group board. Following Darren Messem's resignation on the 6 April 2022, Paul Heatherington also joined the board of BRE Group. The appointment of two trustees to the board of BRE Group, with significant industry knowledge, will strengthen the BRE Group board and ensure closer working arrangements exist between the Trustee's and its subsidiary.

The Board of Directors of BRE Group is made up as follows:

Director	Position	Appointed	Resigned
Philip Wilbraham	NED (Chair)	1 April 2022	
Gillian Charlesworth	CEO	21 May 2019	
Andrew Herbert	CFO	9 August 2019	26 January 2022
Vinodha Soysa Wijeratne	CFO	15 December 2022	
Paul Hetherington	NED	16 May 2022	
Darran Messem	NED	8 July 2019	6 April 2022
Malathy Sivapunniyan	NED	5 October 2020	15 July 2022
Piers White	NED (Chair)	1 November 2019	31 March 2022

Director appointments to the BRE Group Board are made by both the Trustees and BRE Group, the majority of the Directors at any one time being those appointed by the Trust. The BRE Group Board meets at least 4 times each year and has two established committees, the Risk and Audit Committee and the Remuneration and Nomination Committee to assist in the governance of the Group.

Standing Committees

The BRE Trust Council delegates some of its work to committees and the committees report to the Council their discussion, actions and recommendations. There are three committees of BRE Trust at the time of signing of this report:

- Risk and Audit Committee
- Programmes Committee
- Nominations Committee

In addition, BRE Group which is a wholly owned subsidiary of BRE Trust has two standing committees, a Risk and Audit committee and a Remunerations and Nominations committee. These committees are now more closely aligned with the BRE Trust committees, details of which are set out below.

BRE Trust Risk and Audit Committee and BRE Group Risk and Audit committee:

The Trust's Risk and Audit Committee supports the Trust Board's responsibility for oversight of risk management, the control environment, policy review and the integrity of financial statements and reporting. It seeks assurance from the BRE Group Board on the sound management of its investments. The committee membership consisted of Jonathan Rickard and Gary Mills and includes at request attendance from members of the Group Board.

BRE Group Risk and Audit committee is responsible for oversight of both the external audit work as well as looking at the internal financial controls, internal controls, and risk management system across BRE Group. The committee was renamed BRE Group Risk and Audit Committee in July 2020 to reflect the importance the Board places on risk management. Membership of the committee consisted of Malathy Sivapunniyan (Chair) (resigned 15 July 2022) and Darran Messem (resigned 6 April 2022). Jonathan Rickard chaired the meetings of the committee until the end of the financial year and Gary Mills, who was appointed to the committee when he became a Trustee, has become the Chair for financial year 23/24.

The two Risk and Audit Committees moved towards joint meetings during the year as part of the changes introduced by the Future Governance and Structures Group, with the aim of facilitating closer working between BRE Group and the Trust. The BRE Group Risk and Audit Committee met 3 times during the year with two of those meetings being held jointly with the BRE Trust Risk and Audit Committee as part of a closer collaboration.

BRE Trust Investment Committee:

The Investment Committee was formed in February 2023 and approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching. The key activities are the review of progress with the programmes, review of the operations processes, review of the relevant risks and communications and promotions of the programme.

The interim Investment Committee membership consisted of Vicky Pope, Ashley Hook and Gary Mills. A Chair of the Committee will be elected early in the financial year 23/24. The Committee met once during the year on 6 February 2022 to agree recommendations for Terms of Reference and the scope and purpose of the Committee.

BRE Trust Nominations Committee and BRE Group Remuneration and Nominations Committee:

The BRE Trust Nominations Committee manages the appointment of new trustees and reviews the roles and responsibilities of both Trustees and the Chair of Trustees. The BRE Group Remuneration and Nominations Committee is responsible for determining the remuneration and conditions of the executive directors of the Group. In determining appropriate levels of remuneration for the executive directors, the Remuneration and Nominations Committee aims to provide packages that are competitive in the marketplace and will attract and retain high quality executives capable of achieving the BRE Group's objectives and ultimately those of the Trust. Executive pay is externally benchmarked using Korn Ferry Hay PayNet data. Our remuneration approach is to aim to pay market salaries whilst considering the total cash compensation for executive roles which balance affordability with attracting and retaining the right talent that we need.

Following the Governance changes outlined elsewhere in this report, the Board of Trustees and the BRE Group Board agreed to combine the BRE Trust and BRE Group Remuneration and Nomination Committees, with the aim of facilitating closer working between BRE Group and the Trust.

The committee members for the joint committee during the financial year were Ashley Hook (Chair) and Paul Hetherington. A third committee member, being a Trustee, will be appointed during Financial Year 23/24. The new joint Committee met on 24 February 2023.

Introduction

BRE Trust is the leading independent charity dedicated to improving the built environment for the benefit of society. BRE Trust supports this aim by bringing the benefits of applied research – in the form of digital products, standards, testing and certification, training and qualifications – to key sectors in the built environment.

BRE Group provides services that fund the BRE Trust. The work of the BRE Group is focused on the safety, security and sustainability of buildings. BREEAM and LPCB are two of the most significant services that BRE offers. BREEAM is a world-renowned sustainable building benchmarking scheme. LPCB is internationally recognised for its standards around security and safety of construction products and systems. BRE Group also provides systems to monitor health, safety and construction waste, as well as training through the BRE Academy. The Group has provided research and data modelling services to UK government for many years and continues to do so for housing data and methodologies that support the standard assessment procedure underpinning Energy Performance Certificates. The Group continues to deliver a wide range of research – and it is this, and innovation, that will form the basis of the Group's future strategic direction.

Purpose

BRE exists to contribute to a thriving and sustainable world by developing science-led solutions to built environment challenges

Our vision is that we want to be:

To be the world-leading innovation, science, and data hub for the built environment

We continue to work with governments and commercial markets who increasingly recognise the value of our products and services. Our focus is on increasing our reach as an innovative, science-led organisation with a focus on our capabilities in collecting, verifying and modelling data.

Achievements and performance

External climate

ESG priorities are undeniably a driver for our commercial clients. There is an increasing understanding of the value of ESG issues and the need to comply with a raft of regulatory and legislative requirements, many of which ESG data supports. Global standards, largely but not exclusively led by the financial sector, compete to measure the value, performance and potential of individual properties and portfolios.

Building and product safety legislation and regulation is evolving in the UK with the Building Safety Act making significant changes to context in which buildings will be designed, constructed and managed. We continue to assess where our expertise in testing and training can make the most valuable contribution to making buildings safer in the future.

BRE Group is continuing to deepen relationships with all key stakeholders including the UK Government. With issues like climate change, healthy homes and building safety receiving significant public and media attention as the next general election approaches, we will continue to share our research with all interested parties in order to ensure future policy is well informed and evidence based.

BRE Trust Achievements and performance

The BRE Trust uses its reserves and any income received both through gift aid donated by BRE Group and from other external resources to fund new research and education programmes. During the year several students were sponsored by the Trust.

BRE Trust did not undertake any fundraising activity requiring disclosure under S162A of the charities Act 2011.

BRE Group achievements in the year and future opportunities:

Financial Review

The consolidated results for the BRE Trust show a net profit before tax of £2.8m (2022: £8.8m) for the year on income of £57.9m (2022: £59.6m). We have increased income by 0.3% compared to the previous year with increases in our Building Performance Services division but the completion of the CIH and LEP grant work have reduced the grant revenue in the year. The restructuring work that was undertaken in the previous financial year has minimised the reduction in revenue to a 3% decrease in income while minimising cost increases but general inflation, energy costs and additional legal costs have led to an 8% increase in expenditure on charitable activities.

During the year the significantly improved two large office blocks dating from the 1970s and 1980s which , were renovated with the assistance of grant funding from the Local Enterprise Partnership in Hertfordshire in the site at Garston have been opened. This has improved the working environment for our staff as well as creating space for other businesses to collaborate with BRE and other tenants on the Garston site.

The site has undergone a desktop review of the site valuation at the year end. This resulted in a loss on investment properties of £2.1m as the cost or the improvements was not reflected in a similar increase in value of the two large office blocks which were improved. The property held as fixed assets for BRE's use has increased in value by £1.1m.

We have also seen small falls in the deficit on the BRE and LPC Pension Scheme. As of 31 March 2023 the scheme actuaries valued the deficit at £30.0m compared to £31.6m in the previous year. This is a result of more stable markets and little change in the discount rate. There was no full actuarial valuation in this year.

Overall, the positive net income of £2.6m, the gain on revaluation of the site of £1.1m and the actuarial loss of £0.3m means that BRE Trust now has funds of £10.0m as at 31 March 2023 increasing the funds available from 31 March 2022 of £6.6m.

Building Performance Services (BPS)

The product focused core of Building Performance Services (BPS) is a portfolio of businesses incorporating BREEAM, NABERS UK, SABRE, SmartWaste, YellowJacket, Sustainable Products and the BRE Academy. All are the subject for further development as part of the digital transformation that is taking place across our portfolio of products and services. Revenue for the BPS for 2022/23 was £29.9m.

BREEAM is well regarded as being based on science, and rigorous in its approach. The BREEAM revenue at the year to 31 March 2023 was £17.2m (2022: £15.9m). 23/24 will be pivotal in maintaining market relevance by enhancing the scientific base for BREEAM with the development of Version 7 (V7), and by focussing on the customer experience – both direct customers and assessors.

The BRE Academy is a well-known, well-respected part of BRE. It has a long-standing reputation and has been a consistent contributor to organisational revenue and profits.

During 22/23 a workstream was set up to review and ascertain the size of the opportunity for The Academy commercially, but equally importantly, as a contributor to the BRE purpose, reputation and positioning. The academy achieved an income of £3.8m for 2022/23 (2021/22 £3.1m).

The Academy will strengthen its position in the market during 23/24 by providing more, high quality and better targeted courses delivered both in person and virtually. This will by digitization and a focus on customer journeys and improved experience.

For the Housing and Energy teams, now part of our research and innovation division, core activity with BEIS (now DESNZ) and DLUHC has remained strong with the delivery of the multi-year English Housing Survey and Standard Assessment Procedure (SAP) programmes. The Housing and Health team continued to secure work delivering modelling for local authorities indicating residential dwellings areas most closely linked with ill health, work that will continue throughout the coming year. Autumn 2022 saw the publication by BRE of a follow up report on the 'Cost of Poor Housing' which highlighted the cost to the NHS directly linked to poor housing to be £1.4bn.

Assurance Services

The Assurance division is made up of 4 business units with specialisms in Fire, Security, Built Environment and Audit.

Fire Detection & Electronic Testing (FDET) and the Passive team are the highest revenue earners.

The main source of revenue generation is through our extensive range of test laboratories and our LPCB certification schemes. Revenue for our Assurance division was £24.2m for 2022/23 (£22.6m: 2021/22)

Innovation

The role of the Innovation division is to lead our research and innovation activities, ensuring that BRE provides impactful thought leadership in pursuit of our purpose. The research and innovation strategy is key to the achievement of our objectives. The revenue for 2022/23 was £3.4m (2021/22 £5.8m) as the CIH grant is now completed.

Income from the Innovation team will now be largely derived from Housing and Energy, and Strategic Advisory teams. Our Energy and Housing teams work with governments internationally to deliver a range of technical services for national net zero policy compliance methodologies This includes research for current and future regulatory compliance for the energy efficiency of buildings.

Strategic Advisory (Consultancy) is a binding part of the BRE business, building relationships and engaging (internally and externally) to provide a range of solutions largely built around the mitigation of climate change.

We will transition innovation into business as usual by delivering collaborative, impactful projects that make a difference - targeting net zero by helping decarbonise built assets as the government grant for CIH was completed in September 2022.

The head office site at Garston includes the Innovation Zone and is home to leading research facilities which have been established to inform sustainable development at a global level and stimulate innovation within the built environment. The zone features full-scale demonstration buildings that have been developed by industry partners to achieve commercial goals. These buildings display innovative design, materials and technologies which combine to address the development challenges facing regions across the world.

International Activities

BRE currently provides services in 90 countries selling mainly BREEAM and LPCB services as well as advisory products. The target markets for BREEAM are Commercial Real Estate, Construction, Public Sector, Manufacturing and Finance. Those for LPCB are fire, security, and construction product manufacturers, as well as Construction and Infrastructure companies, construction product installers and government contracts.

BRE has 3 satellite offices; in San Francisco covering North America, in Shanghai covering China, and in Dublin covering Ireland and Europe.

Our channel framework, including our National Scheme Operators, Assessor relationships and other partnerships are all being centralised within the sales team to facilitate both improved communications and relationships, and increased cross selling across our entire product range.

Responsible business

Responsibility is at the heart of our purpose, and we seek to apply a responsible business ethos to every aspect of our business, whether by setting challenging energy performance goals for ourselves, contributing our expertise to the development of public policy, playing our part in our local community, or ensuring that equity, diversity and inclusion are embedded in all our practices. Over the forthcoming three-year plan we will set annual goals, culminating, we hope, in achieving B Corp status. As part of this we will measure the impact we're making, and impact targets will be included in the strategic KPIs of our balanced score card and in our reporting.

Employee engagement and development

Our people are integral to the success of the Group, and we are proud of the commitment and wide-ranging expertise and skills of our colleagues across the business. This year has seen continued focus on attracting and retaining talent to enhance our existing core competencies whilst adding new skills required to deliver our plans.

Our resourcing strategy has combined the re-deployment and upskilling of existing members of the team with the recruitment of new roles. This has enabled a more sustainable approach to skills development and progression, particularly in product management, data and digital competencies.

Volatility in the employment market created the need for an agile response to our employee proposition, particularly in remuneration and we have made progress in reducing the gap between our median base salaries and those in our benchmark set. Attrition rates, although higher than pre-pandemic levels, have stabilised and work continues to enhance engagement, skills development and career progression to grow and retain.

We have made good use of our Talent and Development expertise again this year, building on the success of our behavioural framework, an extensive engagement exercise has taken place to design the technical and operational frameworks. The combined frameworks make up our Profession Builder tool, enabling colleagues to have visibility of potential career paths, understand the levels of competence required access the development opportunities available to them. This complements our established Learning and Development initiatives and will further inform content for leadership development and technical development pathways.

We continue to focus on creating an inclusive environment where we can attract, retain and motivate the very best people. To support our approach to Equity, Diversity and Inclusion we have focussed on advocacy and this year, following our inaugural EDI survey, established EDI networks, LGBTQ+, Women, Race and Neurodiversity – each with Exec Sponsorship and formed to represent the views of communities across the organisation. We also undertook an exercise to collect EDI data to ensure the accuracy of our organisational profile as we increase analysis in this area.

BRE Sustainability Plan

Our Sustainability Strategy was established in 2008 to demonstrate BRE's commitment to sustainability across 7 key areas, primarily environmental and focusing on the BRE Science Park. It covers energy, water, waste, transport, ecology, procurement and supply chain and communications and engagement. The plan sets a number of targets to deliver real and measurable improvements in our business and reduce our major impacts on the environment. Our Carbon Reduction Plan further outlines our commitment to contribute towards the global effort needed to limit warming to 1.5°C by 2050, supporting the UK Green Building Council (UKGBC) Race to Zero campaign. Our main activities include:

- Sustainable building refurbishments – adapting existing spaces for new uses and maximising the reuse of our existing materials
- Upgrades to boilers and insulation
- Replacement of old lightbulbs with LEDs
- Monitoring and detecting water leaks and upgrading to waterless/highly water efficient devices
- Upgrades to metering systems and the addition of submeters for improved monitoring
- Increased segregation of waste and optimising the use of skips
- Composting our green waste for on-site use and retaining deadwood in our woodlands
- Creating wildflower meadows, planting trees, and beekeeping
- Colleague benefits such as folding bikes and our on-site bus service
- Investigating our Scope 3 greenhouse gas emissions

In 2022, we appointed a Head of Responsible Business who works with our Head of Estates and sustainability champions across the business to identify and implement projects and engage employees on all sustainable built environment aspects. This team reviews progress against sustainability targets and projects and meets on a quarterly basis, along with the Health, Safety and Environment Compliance Manager. BRE is also certified as complying with ISO14001, which includes requirements for reporting on energy, waste and water.

In 2022, we also joined Business in the Community (BITC), contributing to their movement 'to create a fair and sustainable world in which to live and work... uniting our efforts for greater social and environmental impact in our communities'. Membership provides access to a responsible business framework tool and the opportunity to connect with, influence and learn from organisations in all sectors.

Streamlined energy and carbon reporting (SECR)

This is the fourth year that BRE Trust has been required to report under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Reporting) Regulations 2018 ("the 2018 Regulations") which require us to disclose our annual energy use and greenhouse gas emissions. However, we have always carefully monitored our energy use as part of our ISO14001 accreditation and wherever possible reduced our use of energy and tried to minimise our greenhouse gas (GHG) emissions.

We commissioned an independent report from a building services consultancy to analyse the energy and emissions data from our UK activities for the 12 month period to 31 March 2023 and compare results with previous periods. Details of this data and the methodology used to calculate the emissions are set out below.

Emissions generated for the burning of natural gas on site are considered Scope 1 (direct combustion), while emissions generated off-site from the provision of grid electricity are considered Scope 2 (indirect energy from generating electricity) and Scope 3 (transmission and distribution losses associated with delivering electricity through the grid). Reporting of emissions resulting from the use of grid electricity and natural gas were calculated using the UK Government GHG Conversion Factors for Company Reporting last updated June 2022.

In addition to the energy used in buildings we also use energy for transport fuel in hired vehicles or private employee-owned vehicles included in Scope 3. Fuel consumption data was calculated from employee expenses claims for miles travelled and converted into carbon using the UK Government GHG Conversion Factor for $kgCO_2e$/mile, based on an 'Executive' car type.

		2022/23		2021/22		2020/21	
Emissions Scope	Source	MWh	tCO_2	MWh	tCO_2	MWh	tCO_2
Scope 1	Natural Gas and business travel (company cars)	6,034	1,101	6,607	1,210	3,190	587
Scope 2	Electricity	3,970	768	4,346	923	2,393	606
Scope 3	Business travel and electricity transmission and distribution losses	503	190	219	136	157	84
Total scope 1 and 2		10,003	1,869	10,953	2,133	5,584	1,193
Total scope 1, 2 and 3		10,507	2,059	11,172	2,269	5,740	1,277
Floor area (m^2)		27,036		31,214		29,907	
EmIR ($kgCO_2e/m^2$)		76.2		72.7		42.7	
EIR scope 1 and 2 (kWh/m^2)		370.0		350.9		186.7	
EIR scope 1, 2 and 3 (kWh/m^2)		388.6		357.9		191.9	

[1]EmIR – Emissions Intensity Ratio

[2]EIR - Energy Intensity Ratio

Streamlined energy and carbon reporting (SECR) (cont.)

Intensity ratios can be used to compare overall emissions data with an appropriate business metric, such as revenue or floor area, to further enable comparison over time and create benchmarks. As most of our energy is used in the buildings that we occupy, we have selected an energy intensity ratio of kWh/m^2.

BRE Science Park consists of numerous buildings with a total floor area of 30,363m^2. Tenanted spaces were deducted from the overall floor area giving a total of 27,036m^2. Using the total energy consumption of the buildings used by BRE, the EIR for Scopes 1, 2 and 3 is 312.4kWh/m^2 (14.6% lower than 2022). Using the total Scopes 1, 2 and 3 emissions figures, the EmIR for 2023 is 62.3kgCO_2/m^2 (14.3% lower than 2022).

We have seen fluctuations in our EIRs over the previous years due to the significant impact of the COVID-19 pandemic. Values this year are now closer to 2019/20 levels. Although similar amounts of energy were consumed for electricity and gas last year, due to the different carbon intensity conversion factors for each energy use, Scope 2 electricity accounts for slightly more emissions than gas. Transmissions and distribution losses in the grid (Scope 3) further increase emissions from electricity but overall these emissions are lower than 2019/20 by 16%.

Over the past year we have continued to install LED lighting in multiple buildings on BRE Science Park, reinstated warm air recirculation system, replaced an inefficient gas boiler in one of our buildings, and insulated unlagged pipework in plantrooms to reduce electricity and gas usage. We have installed additional submeters to improve our ability to monitor consumption and identify areas for reduction. We have reduced our floor area through space and process optimisation aligned with our new ways of working. Around 80% of employees are either on flexible hybrid contracts or fully remote working.

Along with our main sustainability activities, we will continue to gather data on our new ways of working such as the impact of remote and flexi-hybrid contracts to better understand building occupancy levels and implement the most effective energy conservation strategies. The effect of measures will be tracked by reviewing quarterly electricity and gas consumption and further energy efficiency measures will be identified and implemented where appropriate.

BRE is also a collaborator on the UK Built Environment Carbon Database (BECD) project that aims to become the main source of carbon estimating and benchmarking for the UK construction sector and a practical instrument to support the decarbonisation of the built environment.

Pension Scheme

The FRS102 pension scheme deficit relates to the BRE and LPC Pension Scheme which is the former defined benefit pension scheme operated by Building Research Establishment Limited (BRE Ltd) a subsidiary of the Group. The deficit decreased during the year to £30.0m (2022: £31.6m) further details of which are set out in note 19 to the financial statements. This decrease in the scheme deficit is in part due to the decrease in the present value of the benefit obligations, along with the payments by the Group as part of the deficit reduction plan agreed with the pension trustees which offset the decrease in the value of the assets of the scheme. The Directors of BRE Ltd consider that since the Company is able to meet all of its short and medium term liabilities, and the nature of the pension scheme deficit is long term, that this does not impact on the Trust as a going concern.

Reserves Policy

BRE Trust has a reserves policy which requires it to maintain reserves at a level equivalent to total committed contract value plus three months of operating costs. This enables the BRE Trustees to manage financial risk and short-term income volatility. Free reserves available for use exclude restricted funds and the fixed assets held as unrestricted funds. Free reserves also exclude any long-term liabilities, and any deficit reported on the pension scheme. Should other funding not be received, the cash reserves should be used to pay committed contracts incurred defined by the notice period of the contract.

At 31 March 2023, committed contract value was £45k and three months operating costs were forecast at £9k which total £53k. BRE Trust has cash of £3.6m to meet these commitments and the excess cash of £3.5m is reflected in net reserves meaning that minimum reserves were being maintained. An investment committee has been set up in February 2023 and approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching.

Reserves Policy (cont.)

The BRE Trustees will review the group reserves each year to assess the value of the reserves required to be held in cash and cash equivalents that are not restricted to any particular purpose. During the year, the Trustees reviewed the total reserves, the operating costs of the Trust and the commitments under long term contracts and have ceased to enter into new long-term commitments pending a full review of the BRE Trust structure and governance model. The Investment Committee was formed in February 2023 and approves the funding for research projects and provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching. The key activities are the review of progress with the programmes, review of the operations processes, review of the relevant risks and communications and promotions of the programme.

Free reserves	2023 £'000	2022 £'000
Total unrestricted funds	9,588	3,073
Add: Pension liability	29,956	31,587
Net unrestricted funds	39,544	34,660
Less: Unrestricted fixed assets	(18,536)	(18,468)
Total free reserves	21,008	16,192
Represented by:		
Net current and intangible assets	14,024	11,995
Investments	8,983	6,400
Provisions	(1,999)	(2,203)
Total free reserves	21,008	16,192

The net movement in unrestricted funds in the year was an increase in the unrestricted funds of £4.8m (2022: increase in the negative unrestricted funds of £19.1m) due to net income for the year of £2.5m (2022: £5.9m), a gain on revaluation of fixed assets of £1.1m (2022: £4.7m) and a transfer between funds of £3.2m (2022: £nil). The BRE reserves policy is to maintain reserves at a level equivalent to total committed contract value plus three months of operating costs (2023: £13.7m), therefore the reserves are within policy.

Future developments

BRE is developing the BREEAM digital system to improve efficiency and delivery of BREEAM products and is working on the digitisation of the business.

Going Concern

BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the significant improvement in the level of reserves, excluding pension impact, and the net income of £2.6m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, as well as the budgets for 2024 and 2025 and the cashflow projections for the Trust and BRE Group.

Going Concern (cont.)

The management team have reviewed the current financial position and the business planning document including budget for the next 3 years. The various revenue streams have been analysed to identify the secured income from committed contracts, run rate of repeated business, price increase, growth ambitions and new strategies to mitigate the loss of income from the completion of the CIH program with UKRI. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the level of risk to income by analysing revenue secured through committed contracts, revenue from ongoing long-standing client relationships and where the revenue is more uncertain.

The cost base has also been analysed to consider risk around inflation, high energy prices, staff related cost increases. The business plan has considered risks such as uncertainties in the external market including the energy crises made worse by the political climate of Ukraine and Russia into account. We are closely monitoring our cost and procurement is reviewing our sourcing to make it more cost effective and efficient. Details of the BRE Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan designed to get the scheme to self-sufficiency by 2037.

The management team have undertaken a sensitivity analysis under three different scenarios to understand the risk and opportunities in the budget and to ensure the financial position being projected is robust.

BRE's Group cash position of £11.1m at the end of March 23 is an improvement on March 22 of £10.7m. Significant investment is occurring in digitalisation and lab improvement program underway which is budgeted to be funded by the operation. Both CIH advance payment and Escrow funds used for the restructuring program have been repaid and hence there is no borrowing tied to our current cash and budget cash positions.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank was renewed at the beginning of 2022 for a further 12 months. This facility, along with the cash reserves held by the Group will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and BRE Group over the next 12 months and in the medium term.

The forecasts for the current financial year and the budgets for 2024 and 2025 have been set out as the base case for the organisation. They include the impact of known capital expenditure as well as provision for some potential risks of assets needing replacement. The review has included sensitivity analysis around the income streams to ensure that in the event of a downturn in the economy the Company would still be able to operate sustainably for the foreseeable future.

Taking all this information together, the BRE Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of BRE Trust and its subsidiaries to continue as a going concern. The BRE Trustees consider the main risks to be those set out in the Risk Management section of this report

Creditors payment policy

The Group operates normal trading terms of payment within 45 days of the date of the invoice when making payments to its creditors.

Risk management

There has been a continued conscious effort to transform risk management within the Group. There is both a strategic risk register (owned by the Board) and an operational risk register (owned by the Executive Team). Each employee has an opportunity to feed into the latter which has undergone an enhancement this year to move to an improved assessment methodology. Additionally, the strategic risk register has individual risk reports, tabled (deep dives) at the Risk and Audit Committee meetings on a rotational basis.

Further to the above, risk appetite is a key improvement focus for the coming financial year which will be formally defined.

It is accepted that such a system of risk management can provide only reasonable and not absolute assurance against material misstatement and loss and that the system is designed to provide the Trustees with reasonable assurance that problems are identified on a timely basis and dealt with appropriately and that systems exist to mitigate those risks.

Risk Management (cont.)

The key strategic risks are those identified below with reasons for inclusion and key mitigations.

Key Strategic Risks	Reason for inclusion	Key Mitigation(s)
Governance mechanism/ structure (new)	• Charitable status considerations and the need for strong governance.	• Refresh of the Trust and Board mechanism. • Quarterly Risk and Audit Committee.
Long term financial stability	• A focus on financial metrics is critical to ensuring there is a profit for purpose.	• Robust annual business planning, budgeting, monthly forecasting reviews and cash management. • Maintenance of overdraft facility as mitigation to risk in downturn. • Regular dialogue with pension trustees to maintain options with Escrow funding or reduced pension payments.
Cyber security	• This is a continuous threat that is ever changing and needs constant mitigation as this risk continues to grow with new methods of attack and increased regulation.	• Next generation firewalls and Anti-virus, Anti Malware systems in place. • Security information and event management system which collects information from all key IT infrastructure and is monitored 24/7. • Annual penetration testing and maintenance of Cyber Essentials Plus certification. • Requirement for third party IT suppliers to have formal certification such as ISO 27001 or CREST. • Dual server centres in place.
Ineffective talent attraction/retention	• People and talent are the cornerstone to success, hence the strategic focus.	• A Wellbeing offering is in place to support colleagues with mental, physical and financial wellbeing. • Biannual Sustainable Engagement Index. • Regular meetings of the EDI group and Colleague Forum. • Flexible and remote working options available where circumstances allow. • Timely and focussed recruitment, with bench-marking pay using external resources as well as against industry norms. • Improved engagement with employees including implementation of job families, regular performance and development reviews and management oversight.

Risk Management (cont.)

Key Strategic Risks	Reason for inclusion	Key Mitigation(s)
Regulatory non compliance	• A critical part of BRE operations is compliance activity.	• Independent SHE (Safety, Health and Environmental) and Quality and Compliance departments. • A central group management system in place for policies, processes and procedures. • Independent Risk and Internal Audit Department. • Legislation register in place. • Regular engagement with government departments which helps to identify potential changes in policy ahead of implementation.
Lack of market relevance	• Remaining market relevant is critical for success.	• Increased customer insight via a quarterly NPS (net promoter score). • Formal 'innovation to market' assessment process and Product Management Methodology. • Customer focus through relationship management and targeted business development capability. • Industry focused customer groups. For example, net zero, BREEAM. • A corporate affairs team and innovation team working with external audiences and collaborating with the product management function.
Reputation and brand strength	• BRE's success is hugely dependent on reputation, particularly with the advent of the Grenfell enquiry.	• Constant press monitoring by Director of Corporate Affairs and Third-Party Press Support. • Pre-prepared statements on likely scenarios and defined internal communication process. • All scientific output follows a clear internal review process before issue. • Speaking up policy in place and reviewed annually. • Grenfell inquiry proceedings are monitored closely and BRE has provided a significant volume of information to assist the inquiry and continues to do so.

Risk Management (cont.)

Key Strategic Risks	Reason for inclusion	Key Mitigation(s)
Challenges to operational delivery	• Efficient and effective operations are imperative to sustain during an organisational change programme.	• A central group management system is in place for policies, processes and procedures. • External assessments and prompt follow up/resolution of actions. • Project delivery pipeline tracking and works management. • Product Managers assessing the markets. • Customer complaints/ compliments process. • Digital transformation programme underway.
Responding to long term trends and issues including climate change and ESG changes	• This is a key focus of BRE's vision.	• Constructing Excellence provides conduit to industry needs and government policy. • Monthly strategy meetings (in house) and ongoing relationship/meetings with AIRTO (industry wide group). • Product Innovation Team established with product roadmaps developed (or in development).

Statement by the Trustees in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006.

The BRE Trustees consider that both individually and together that they have acted in the way they consider, in good faith, would be most likely to promote the success of BRE Trust for the benefit of its stakeholders as a whole (having regard to the matters set out in s172(1)(a-f) and S172(2) of the Act) in the decisions taken during the year ended 31 March 2023. The following paragraphs summarise how the Trustees fulfil the key elements of these duties.

Business planning and risk management

The BRE Trustees maintain its strategic plan for funding world class research in the built environment and consider long term planning as a critical part of how they ensure they understand the long-term consequences of their decisions. The Trustees recognise the nature of the safety critical services provided by BRE Group to its customers and the need to continue to evolve our approach to the risk management.

Our people

Our people are integral to the success of BRE Group and BRE Trust and we are proud of the passion and wide-ranging expertise and skills of our colleagues across the business. This year, we have invested in programmes and initiatives to mitigate the people impact of the changes in the business and to continue to provide an environment in which our colleagues can contribute, thrive and develop. Further details of which are set out in the Strategic Report under the section on Employee engagement and development.

Business and stakeholder relationships

The success of the organisation is dependent on our relationships with all of our stakeholders which include partners for BRE Trust, our customers for BRE Group as well as all our suppliers and staff. At BRE Trust we have focused heavily on building a network of like-minded organisations to improve research, education and practice in the built environment further details of which are set out in the Strategic Report under the section on Achievements and performance. BRE Group has focused on business development bringing in new commercial resources to work across the product portfolio to gain insight into markets and customers so that we are better able to serve the needs of all our stakeholders.

Community and Environment

The BRE Trustees recognise that the way we construct and manage homes, workplaces and other built assets can have hugely positive impacts on our wellbeing, economic performance and the sustainability and resilience of our built environment. Critical to this and the BRE Trust's core focus is the development of improved products, processes and tools to enhance economic and environmental impacts.

Disclosure of Information to Auditor

Insofar as each of the BRE Trustees of the Group and Charity at the date of approval of this report is aware there is no relevant audit information of which the group and company's auditors is unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group and company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Crowe U.K. LLP will therefore continue in office.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 March 2023

The Trustees (who are also Directors of BRE Trust for the purposes of company law) are responsible for preparing the Trustees' annual report, Strategic report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report, under the Charities Act 2011 and Companies Act 2006, was approved by the Council of Trustees' on 24 July 2023 including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:

Philip Wilbraham
Chair

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

Opinion

We have audited the financial statements of BRE Trust for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 and of the group's outgoing resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained with the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic 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 Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Trustees' responsibilities statement set out on page 19 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 or the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and discussed these between our audit team members. We then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group for fraud. The only other laws and regulations we considered in this context are;

- General Data Protection Regulation (GDPR)
- ISO standards (ISO 17025, ISO 17065, ISO 9001; Quality Management System, ISO 14001: Environmental Management, ISO 45001: Occupational Health and Safety
- Health and safety legislation
- Taxation legislation
- Employment legislation

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income, stage payments income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, designing and implementing audit procedures over income, detailed testing of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Companies House, Charity Commission, OSCR, HMRC, the ICO, Health and Safety Executive (HSE), United Kingdom Accreditation Service (UKAS), Lloyd's Register Quality Assurance (LRQA), the review of internal audit reports and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Cheltenham
Date: 25 July 2023

BRE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE COMPANY INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2023

	Note	Restricted Funds 2023 £'000	Unrestricted Funds 2023 £'000	Total Funds 2023 £'000	Restricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000
Income from							
Charitable activities	2	2,902	55,009	57,911	8,067	49,665	57,732
Other trading activities	3	-	1,716	1,716	-	1,897	1,897
Interest receivable		-	153	153	-	10	10
Total		2,902	56,878	59,780	8,067	51,572	59,639
Expenditure on							
Charitable activities	4	(2,784)	(52,132)	(54,916)	(5,876)	(44,916)	(50,792)
Loss on investment property revaluation		-	(2,111)	(2,111)	-	-	-
Net income before tax		118	2,635	2,753	2,191	6,656	8,847
Taxation	8	-	(123)	(123)	-	(717)	(717)
Net income		118	2,512	2,630	2,191	5,939	8,130
Transfers between funds		(3,201)	3,201	-	-	-	-
Other recognised gains/(losses)							
Gain on revaluation of fixed assets	10	-	1,058	1,058	-	4,698	4,698
Actuarial (loss)/gain on defined benefit pension scheme	19	-	(256)	(256)	-	8,495	8,495
Net movement in funds		(3,083)	6,515	3,432	2,191	19,132	21,323
Reconciliation of funds							
Total funds/(deficit) brought forward	16	3,492	3,073	6,565	1,301	(16,059)	(14,758)
Total funds carried forward		409	9,588	9,997	3,492	3,073	6,565

The accompanying notes on pages 26 to 48 form an integral part of these financial statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS
For the year ended 31 March 2023

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed assets					
Intangible assets	9	1,682	930	-	-
Tangible assets	10	18,545	21,560	-	-
Investments	11	8,983	6,400	5,000	5,000
		29,210	28,890	5,000	5,000
Current assets					
Debtors	13	19,547	19,441	4	1
Cash		11,087	10,710	3,553	825
Creditors: amounts falling due within one year	14	(17,892)	(18,686)	(638)	(542)
Net current assets		12,742	11,465	2,919	284
Total assets less current liabilities		41,952	40,355	7,919	5,284
Provisions for liabilities	15	(1,999)	(2,203)	-	-
Net assets excluding pensions liabilities		39,953	38,152	7,919	5,284
Defined benefit pension scheme liability	19	(29,956)	(31,587)	-	-
Net assets including pension liabilities		9,997	6,565	7,919	5,284
Funds of the Group					
Unrestricted funds:					
General fund	16	32,276	19,705	7,781	5,146
Revaluation reserve	16	7,268	14,955	-	-
Pension reserve	16	(29,956)	(31,587)	-	-
Restricted funds:					
Other reserve	16	9	9	-	-
Capital reserve	16	-	3,083	-	-
Income fund	16	400	400	138	138
Total funds/(deficit)		9,997	6,565	7,919	5,284

The total income for the year of the Charity dealt with in the financial statements was £2,722k (2022: £92k) and total expenditure was £87k (2022: £59k).

The accompanying notes on pages 26 to 48 form an integral part of these financial statements.
These financial statements were approved by the Trustees on 24th July 2023.

Philip Wilbraham
Chairman
Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

BRE TRUST

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Net cash from operating activities	17	4,326	5,755
Cash flows from investing activities			
Interest received		153	10
Acquisition of tangible fixed assets	10	(2,363)	(3,617)
Acquisition of intangible fixed assets	9	(1,739)	(541)
Net cash used by investing activities		(3,949)	(4,148)
Increase in cash and cash equivalents in the year	18	377	1,607
Cash and cash equivalents at the beginning of the reporting period		10,710	9,103
Cash and cash equivalents at the end of the reporting period		11,087	10,710

The accompanying notes on pages 26 to 48 form an integral part of these financial statements.

1 Accounting policies

Charity information

BRE Trust is a company limited by guarantee in England and Wales (registered number 03282856) and is registered as a charity in England and Wales (No. 1092193) and in Scotland (No. SCO39320). The registered office is Bucknalls Lane, Garston, Watford, Hertfordshire, WD25 9XX.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. BRE Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

The Group financial statements consolidate the financial statements of the Charitable Company and its subsidiary undertakings drawn up to 31 March each year. With the exception of BRE China the financial statements of subsidiaries are prepared for the same reporting year as the Trust using consistent accounting policies. Even though BRE China has a 31 December reporting date the consolidated accounts include its results for the 12 months to 31 March 2023. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition or up to the date of disposal.

Details of the principal subsidiary undertakings are shown in note 12. Transactions or balances between BRE Trust Group entities have been eliminated on consolidation and are not reported.

Critical accounting judgements and estimation uncertainty

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates which could differ from actual outcomes. The items in the financial statements where these judgements and estimates have been made are:

- Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured using a percentage completion method.
- The provisions made in respect of bad or doubtful debts which is based on historical experience of our debtors and specific knowledge of individual bad debts.
- The assumptions used to value the defined benefit pension scheme obligations and other defined benefit plans, which are based on best estimates of the discount rate to apply and inflation rates, further details of which are set out in note 19 to these financial statements,
- Impairment and valuation of non-current assets and the remaining useful life of assets which is based on future plans for the use of the assets.

Going concern

BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the significant improvement in the level of reserves, excluding pension impact, and the net income of £2.6m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, as well as the budgets for 2024 and 2025 and the cashflow projections for the Trust and BRE Group. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the risks to income by looking at where the revenue is secure through committed contracts, where there are ongoing long-standing client relationships and where the revenue is more uncertain.

1 Accounting policies (cont.)

Going concern (cont.)

The cost base has also been analysed to consider risk around inflation, high energy prices, staff related cost increases. The business plan has considered risks such as uncertainties in the external market including the energy crises made worse by the political climate of Ukraine and Russia into account. We are closely monitoring our cost and procurement is reviewing our sourcing to make it more cost effective and efficient. Details of the BRE Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan designed to get the scheme to self-sufficiency by 2037.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank remains in place. This facility along with the cash held by the Group will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and the Group over the next 12 months and in the medium term.

Taking all this information together the Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the Group to continue as a going concern.

Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item of income has been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met and where it is probable that the income will be received, and the amount can be measured reliably.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover reflecting the proportion of work completed to date on the project.

Funds

All funds of the Charity and the Group are unrestricted funds, with the exception of a number of individual grant funded projects, which are restricted. Unrestricted funds are available for the Trustees to apply to research activities that are in accordance with the objects of the Trust. Restricted funds are used for research governed by any conditions accepted at the time the funds are received.

Expenditure

All expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are allocated to the different categories of activities. This is based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. Support costs include processing and administration, human resources, information technology and facilities costs.

Governance costs are included within support costs and include strategic planning costs for the Trust's future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and for preparing statutory financial statements and satisfying public accountability.

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

1 Accounting policies (cont.)

Operating Leases

Operating leases and the payments made under them are charged to the statement of financial activities on a straight-line basis over the lease term. The Group also lets some of its property on short term leases of five years or less which are classified as operating leases. Lease income is recognised on a straight-line basis over the lease term.

Research and development

All research expenditure is charged to the statement of financial activities in the period in which it is incurred. The development costs incurred in the creation of new software products and tools are capitalised under intangibles.

Taxation

BRE Trust is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Trust's UK subsidiary companies give all their taxable profits to the Charity, normally resulting in no liability to corporation tax. Tax is payable by overseas subsidiaries in accordance with local regulations.

Intangible assets

Purchased goodwill is capitalised and amortised over its useful economic life, which is determined on a case-by-case basis, but does not exceed 5 years.

Expenditure incurred in the development or purchase of software and the purchase of licence agreements is capitalised and written off over the useful economic life of the asset and will not exceed 20 years.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and stated at cost or valuation less depreciation. The fair value of land and buildings is determined from a market-based appraisal undertaken by a professionally qualified valuer every three years and the latest full valuation was undertaken in the year ended 31 March 2022. Assets are reviewed annually for any impairment in value, and as a result of this review a desktop valuation was undertaken this year.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis, as shown below:

Leasehold Improvements	8 years
Freehold buildings	5-20 years
Plant and machinery	3-10 years
Fixtures and fittings	7 years
Motor vehicles	3-10 years

No depreciation is provided on freehold land.

Investment property

Property that is held for long-term rental or is being developed for future rental is classified as investment property. The fair value of land and buildings is determined by a market-based appraisal undertaken by a professionally qualified valuer every three years and the next full valuation will be undertaken in 2025. Changes in fair value are recognised in the Statement of Financial Activities. Assets are reviewed annually for any impairment in value, and as a result of recent economic conditions, including turbulence within the property market, a desktop valuation was commissioned to assist with the assessment of valuation at the year end.

1 Accounting policies (cont.)

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Within provisions is an amount for enhanced redundancy benefits where some employees over 50 years of age can translate part of their redundancy entitlement into an annual compensation payment. A provision is made for the future amounts payable over the estimated life expectancy of the ex-employees.

Cash

Cash balances are part of the Group's working capital and are kept on current account or short-term deposit.

Basic financial instruments

Debtors

Debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financial transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Creditors

Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Investments in subsidiaries, jointly controlled entities and associates

Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any exchange differences are dealt with through the Statement of Financial Activities.

The statement of financial activities, assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Gains and losses arising from the translation of opening balances and long term loans are taken to the Statement of Financial Activities.

Post – retirement benefits

Building Research Establishment Limited operated defined benefit pension schemes providing benefits based on final pensionable pay. The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC Scheme at 31 March 2009. The two schemes were merged together during 2016 forming the BRE and LPC Pension Scheme. The assets of the scheme are held separately from those of the Trust and the trading subsidiaries.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability.

1 Accounting policies (cont.)

Post – retirement benefits

The defined benefit obligations as at 31 March 2023 for this FRS102 valuation represent an update of the previous year's FRS102 liabilities with allowance made for benefits paid out to members for the year and price inflation over the year. All other experience is assumed to be in line with the assumptions at the start of the year. An adjustment has then been made to the value of the defined benefit obligations for changes in the assumptions as set out in note 19.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Building Research Establishment Limited also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust and its subsidiaries in an independently administered fund. The pension costs charged against net income are the contributions payable to the scheme in respect of the accounting period.

2 Income

	2023 £'000	2022 £'000
Advisory services on building performance, construction and fire safety	16,012	12,524
Provision of third-party assurance services	38,650	37,652
Services delivered to government	3,249	7,556
	57,911	57,732

Included in services delivered to government are amounts totalling £3,249k (2022: £7,556k) which are government grants for undertaking research projects for which there are no unfulfilled conditions.

3 Other trading income

	2023 £'000	2022 £'000
Other rental income	1,200	1,028
Other trading income	516	420
Tax credits	-	449
	1,716	1,897

4 Expenditure

Charitable activities

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2023 Total	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Activities undertaken directly	858	8,791	21,217	1,784	32,650	33,521
Grant funding of activities	-	87	-	-	87	(146)
Support costs	582	6,014	14,375	1,208	22,179	17,417
	1,440	14,892	35,592	2,992	54,916	50,792

Analysis of support costs

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2023 Total	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Legal and professional	163	1,686	4,030	339	6,218	5,716
IT	105	1,088	2,599	218	4,010	2,136
HR	43	447	1,069	90	1,649	1,048
Marketing	58	595	1,423	120	2,196	1,670
Facilities	106	1,092	2,609	219	4,026	2,966
Other	107	1,106	2,645	222	4,080	3,881
	582	6,014	14,375	1,208	22,179	17,417

Included within Support costs are the following governance costs

	2023 £'000	2022 £'000
Auditor's remuneration:		
Audit of Group and subsidiary financial statements	82	68
Amounts receivable by auditor and associates in respect of:		
Services relating to taxation	13	13
Additional fees relating to prior year audit	-	-
Other services	-	16

Expenditure on research and development recognised as an expense totalled £1,698k (2022: £3,456k).

5 Staff costs and numbers

	2023 £'000	2022 £'000
Group staff costs during the period amounted to:		
Wages and salaries	25,151	22,988
Social security costs	2,570	2,374
Other pension costs	3,847	3,645
Operating costs of the defined benefit pension scheme	668	654
	32,236	29,661

Included in other pension costs are contributions made by Building Research Establishment Ltd of £2,778k (2022: £2,593k) to the closed BRE and LPC defined benefit Pension Scheme.

During the year redundancy and termination payments totalling £288k (2022: £301k) were made in agreement with the employees, who were provided with independent legal advice, to compensate them for loss of employment arising from their employment with the Group ceasing.

The executive team (who are considered key management personnel) consisting of 4 individuals were paid a total of £792k (2022: 3 individuals were paid £585k).

The average number of employees (including directors) during the year was as follows:

	2023	2022
Research staff	480	482
Support staff	91	66
	571	548

The number of regular employees whose pay and taxable benefits exceeded £60,000 fell within the following bands:

Salary band	2023	2022
£60,000 - £69,999	28	24
£70,000 - £79,999	22	18
£80,000 - £89,999	5	5
£90,000 - £99,999	3	1
£100,000 - £109,999	2	1
£110,000 - £119,999	3	3
£120,000 - £129,999	1	1
£130,000 - £139,999	1	1
£140,000 - £149,999	1	1
£150,000 - £159,999	1	-
£170,000 - £179,999	3	-
£200,000 - £209,999	-	2
£220,000 - £229,999	1	-
£270,000 - £279,999	1	-

5 Staff costs and numbers (cont.)

The total employer contributions in the year for provision of money purchase pension benefits for higher paid employees were £271k (2022: £208k). The number of higher paid employees (i.e. greater than £60k) to whom pension benefits are accruing under money purchase schemes was 64 (2022: 51).

6 Trustees' remuneration and expenses

No Trustee earned any remuneration in either 2023 or 2022. Out of pocket expenses incurred by 2 (2022: 1) Trustees in the furtherance of their duties are reimbursed at cost and totalled £426 (2022: £142). The whole of this amount related to travel and out of pocket expenses.

7 Other finance costs

	2023 £'000	2022 £'000
Expected return on pension scheme assets	2,594	1,906
Interest on pension scheme liabilities	(3,439)	(2,756)
Past service cost (incl. curtailments)	(46)	(58)
	(891)	(908)

8 Taxation

BRE Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The tax charge for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below.

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on profit for the year	86	663
Adjustment in respect of previous year	37	54
	123	717

8 Taxation (cont.)

	2023	2022
	£'000	£'000
Tax reconciliation		
Profit on ordinary activities before tax	2,753	8,847
Tax using the UK corporation tax rate of 19% (2022: 19%)	523	1,681
Effects of:		
Expenses not deductible for tax purposes	402	125
R&D expenditure credits	-	(85)
Consolidation adjustments	71	(309)
Adjustment in respect of prior periods	37	54
Deferred tax not recognised	(910)	(749)
Total tax charge	123	717

The Finance Act 2021 received Royal Assent on 10 June 2021 and the corporation tax rate will increase from 19% to 25% from 1 April 2023 for companies with taxable profits in excess of £250,000. For those businesses that have taxable profits between £50,000 and £250,000 a marginal rate relief scheme will be introduced to bridge the gap between the 19% rate and 25% rate providing a gradual increase in rate throughout this band.

9 Intangible fixed assets

Group	Software	Assets under construction	Other Intangibles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2022	5,958	490	497	6,945
Additions	68	1,671	-	1,739
Disposal	-	(497)	-	(497)
At 31 March 2023	6,026	1,664	497	8,187
Amortisation				
At 1 April 2022	5,518	-	497	6,015
Charge for the year	490	-	-	490
At 31 March 2023	6,008	-	497	6,505
Net book value				
At 31 March 2023	18	1,664	-	1,682
At 31 March 2022	440	490	-	930

The Group had capital commitments for software of £551k (2022: £nil).

10 Tangible fixed assets

Group	Freehold Land and Buildings	Assets under construction	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2022	25,614	2,539	11,140	1,372	67	40,732
Additions	815	-	1,416	132	-	2,363
Disposals	-	-	-	(312)	-	(312)
Reclassification	2,539	(2,539)	-	-	-	-
Reclassification to investment properties	(4,694)	-	-	-	-	(4,694)
Revaluation	1,058	-	-	-	-	1,058
At 31 March 2023	25,332	-	12,556	1,192	67	39,147
	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation						
At 1 April 2022	8,823	-	9,352	964	33	19,172
Charge for year	632	-	994	109	7	1,742
On Disposals	-	-	-	(312)	-	(312)
At 31 March 2023	9,455	-	10,346	761	40	20,602
Net Book Value						
At 31 March 2023	15,877	-	2,210	431	27	18,545
At 31 March 2022	16,791	2,539	1,788	408	34	21,560

Freehold land is not depreciated. As at 31 March 2023, freehold land and buildings is held at the revalued amount of £15.9 million. The comparable cost and net book value at that date determined under the historical cost accounting rules would have been £9.9m and £7.7m respectively. A full valuation was performed on 23 March 2022 by Christian Glazier (MRICS) of BNP Paribas Real Estate. The valuation was prepared in accordance with Professional Standard 2 of the RICS Valuation – Global Standards 2021 effective 31 January 2022, the International Valuation Standards and the UK National Supplement 2018, effective 14 January 2019. The value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The directors revalued the freehold land and buildings at 31 March 2023 following a further desktop valuation undertaken by BNP Paribas Real Estates.

All tangible fixed assets are used in the commercial trading organisations. The land and buildings let to third parties has been transferred to investment properties.
No tangible fixed assets are owned by the Trust.

11 Fixed asset investments

	Group Investment Properties £'000	Charity Interest in subsidiary undertakings £'000
At 1 April 2022	6,400	5,000
Reclassification from freehold land and buildings	4,694	-
Revaluation	(2,111)	-
At 31 March 2023	8,983	5,000

As at 31 March 2023, group investment properties were held at the revalued amount of £9.0m. The directors revalued the investment properties at 31 March 2023 following a further desktop valuation undertaken by BNP Paribas Real Estates as detailed in note 10.

11 Fixed asset investments (cont.)

The trading results of the operating subsidiaries of the Group are:

	Building Research Establishment Limited	BRE Global Limited	Constructing Excellence Limited	Ceequal Limited	BRE China	BRE Ireland
	2023	2023	2023	2023	2023	2023
Summary profit and loss account	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	20,272	40,615	246	68	417	470
Operating costs	(35,852)	(39,079)	(359)	(20)	(533)	(403)
Other operating income	22,170	-	-	-	-	-
Loss on revaluation of investment property	(2,111)	-	-	-	-	-
Operating profit/(loss)	4,479	1,536	(113)	48	(116)	67
Interest receivable	122	-	-	-	-	-
Other finance costs	(891)	-	-	-	-	-
Actuarial gain/(loss) on defined benefit pension	(256)	-	-	-	-	-
Revaluation of land	1,058	-	-	-	-	-
Net result	4,512	1,536	(113)	48	(116)	67
Taxation	(123)	-	-	-	-	-
Retained in the subsidiary	4,389	1,536	(113)	48	(116)	67
Assets and liabilities of the subsidiary						
Fixed assets	28,913	1,279	-	-	1	-
Current assets	18,083	27,745	132	1,045	622	349
Creditors falling due within one year	(26,941)	(9,603)	(115)	(81)	(1,441)	(422)
Net assets/(liabilities)	20,055	19,421	17	964	(818)	(73)
Provision for liabilities	(1,999)	-	-	-	-	-
Pension scheme liabilities	(29,956)	-	-	-	-	-
Deferred capital grant	(216)	-	-	-	-	-
Total funds	(12,116)	19,421	17	964	(818)	(73)

12 Subsidiary and associate undertakings

The undertakings in which the Group's interest at 31 March 2023 was more than 20% were as follows:

	Interest in ordinary share capital	Activity
Trading Companies:		
BRE Group Limited (02704081)	100%	Management of subsidiary company operations
Building Research Establishment Limited (03319324)[α]	100%	Advisory services and information on building performance, construction and fire safety
BRE Global Limited (08961297)[α]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Building Research Establishment Shenzhen Limited (91440300358776938Y)*	100%	Sustainability and training
Ceequal Limited (04568928)[+]	100%	Methodologies for sustainable infrastructure projects
Constructing Excellence Limited (04641522)*[>]	N/A	Co-ordination of member led performance improvement network
BRE Global Assurance (Ireland) Limited (602123)[α]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Non-Trading Companies:		
BRE Certification (03548352)[+#]	100%	
BRE International Limited (01915620)*[#]	100%	
BRE Canada Inc (2279888)*[#]	100%	
EFSG Limited (02971676) *[#>]	N/A	
The Loss Prevention Certification Board Limited (01907862)*[#]	100%	
Building Performance Group Limited (01573939)*[#]	100%	
BRE America Holdings Inc (5984258)*[#]	100%	Holding company

* Held through Building Research Establishment Limited
[α]Held through BRE Group Limited
[+] Held through BRE Global Limited
[#] Dormant company
[>] Company limited by guarantee

All of the subsidiaries and associates are registered in England and Wales with the exception of BRE America Holdings Inc, which is registered in the United States, BRE Canada Inc which is registered in Canada, Building Research Establishment Shenzhen Limited which is registered in China, BRE Global Assurance (Ireland) Limited which is registered in Ireland.

13 Debtors

	2023 £'000 Group	2023 £'000 Charity	2022 £'000 Group	2022 £'000 Charity
Trade debtors	10,760	-	9,308	-
Amounts recoverable on contracts	1,477	-	3,254	-
Other debtors	4,644	-	5,416	1
VAT and other taxes recoverable	963	4	755	-
Prepayments	1,703	-	708	-
	19,547	4	19,441	1

14 Creditors: amounts falling due within one year

	2023 £'000 Group	2023 £'000 Charity	2022 £'000 Group	2022 £'000 Charity
Deferred income	9,251	-	7,812	-
Trade creditors	2,530	-	4,760	12
Amounts due to group undertakings	-	590	-	489
Social security and other taxes	1,816	-	1,611	-
Corporation tax	-	-	573	-
Other creditors	857	-	766	-
Accruals	3,438	48	3,164	41
	17,892	638	18,686	542

Deferred income movement:

	Group £'000	Charity £'000
Balance at 1 April 2022	7,812	-
Amount released in the year	(8,229)	-
Amount deferred in the year	9,668	-
Balance at 31 March 2023	9,251	-

Deferred income arises where services have been invoiced but the performance conditions in relation to part of the amount invoiced have not yet been met. Included in the amount for deferred income is an advance on grant funding and advancements provided by Innovate UK amounting to £nil (2022: £1,006k) which is repayable upon demand.

15 Provision for liabilities

Future amounts payable relating to:	Former Directors' Future liabilities £'000	Restructuring £'000	Post retirement future liabilities £'000	Total £'000
Group:				
At 1 April 2022	203	-	2,000	2,203
Utilised in the year	-	-	(124)	(124)
Charge to the Statement of Financial Activities	-	96	(176)	(80)
At 31 March 2023	203	96	1,700	1,999

The post retirement future liabilities is a provision made to reflect a liability to make future payments to some ex-employees who were made redundant when over the age of 50 and have translated part of their entitlement into an annual compensation payment payable for life.

Former directors' future liabilities is a provision made in respect of two previous directors of the Group who were provided with post-retirement benefits to match benefits received by other executives in the company who were on an enhanced executive category pension arrangement.

The timing of the cash outlays in respect of these provisions is uncertain but should not exceed £153k in the next financial year.

16 Reserves

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserves Restricted £'000	Capital Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2022	19,705	(31,587)	14,955	3,073	9	3,083	400	3,492
Net income for the year	625	1,887	-	2,512	-	118	-	118
Transfer between funds	3,201	-	-	3,201	-	(3,201)	-	(3,201)
Gain on revaluation of tangible fixed assets	-	-	1,058	1,058	-	-	-	-
Actuarial loss recognised in defined benefit pension	-	(256)	-	(256)	-	-	-	-
Transfer investment properties revaluation	8,745	-	(8,745)	-	-	-	-	-
At 31 March 2023	32,276	(29,956)	7,268	9,588	9	-	400	409

The transfer between funds in the year ended 31 March 2023 (£3.2m) relates to assets under the LEP and CIH grants.

16 Reserves (cont.)

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserve Restricted £'000	Capital Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2021	15,451	(41,767)	10,257	(16,059)	9	1,070	222	1,301
Net income for the year	4,254	1,685	-	5,939	-	2,013	178	2,191
Gain on revaluation of tangible fixed assets	-	-	4,698	4,698	-	-	-	-
Actuarial gain recognised in defined benefit pension	-	8,495	-	8,495	-	-	-	-
At 31 March 2022	19,705	(31,587)	14,955	3,073	9	3,083	400	3,492

The general fund is the amount of unrestricted funds after allowing for total fixed assets, any commitments not recognised in the accounts and all designated funds. The revaluation reserve is the value of unrestricted funds represented by the freehold land and buildings owned and used by the Group and its subsidiaries on an ongoing basis.

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
At 1 April 2022	5,146	138	5,284
Net funds for the year	2,635	-	2,635
At 31 March 2023	7,781	138	7,919

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
At 1 April 2021	4,995	138	5,133
Net funds for the year	151	-	151
At 31 March 2022	5,146	138	5,284

16 Reserves (cont.)

The net funds for the year of the Charity dealt with in the financial statements was £2,635k (2022: £151k deficit).

Restricted funds are used to promote sustainable approaches to relief, recovery and reconstruction after a natural disaster. Other restricted reserves relate to the PIA (payment in advance) on grant projects. Capital restricted reserves relate to fixed assets purchased restricted by grants under CIH and LEP. Income restricted reserves relate to the accumulated Statement of Financial Activities funds held by the individual Trust entity

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Restricted Reserve	Capital Restricted Reserve	Income Restricted Reserves	Total
	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000	2023 £'000
Intangible	1,682	-	-	-	-	-	1,682
Tangible	11,268	-	7,268	9	-	-	18,545
Investments	8,983	-	-	-	-	-	8,983
Net current assets	12,342					400	12,742
Provisions	(1,999)	-	-	-	-	-	(1,999)
Pension scheme liability	-	(29,956)	-	-	-	-	(29,956)
	32,276	(29,956)	7,268	9	-	400	9,997

2022 Comparative

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Restricted Reserve	Capital Restricted Reserve	Income Restricted Reserves	Total
	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000
Intangible	930	-	-	-	-	-	930
Tangible	3,513	-	14,955	9	3,083	-	21,560
Investments	6,400						6,400
Net current assets	11,065	-	-	-	-	400	11,465
Provisions	(2,203)	-	-	-	-	-	(2,203)
Pension scheme liability	-	(31,587)	-	-	-	-	(31,587)
	19,705	(31,587)	14,955	9	3,083	400	6,565

17 Cash flows from operating activities

	2023 £'000	2022 £'000
Net income before tax	2,753	8,847
Adjustments for:		
Interest receivable	(153)	(10)
Depreciation, amortisation and impairment	2,232	2,444
Loss on revaluation of investment properties	2,111	-
Loss on disposal of fixed assets	497	-
Taxation	(123)	(717)
Pension and other finance costs	891	908
Pension deficit funding contributions	(2,778)	(2,593)
Movement in working capital:		
(Increase) in debtors	(106)	(5,945)
(Decrease) / increase in creditors (exc taxation)	(87)	2,497
(Decrease) / increase in provisions	(204)	324
Taxation paid	(707)	-
Net cash from operating activities	4,326	5,755

18 Analysis of change in net funds

	At 1 April 2022 £'000	Cash flow £'000	At 31 March 2023 £'000
Cash at bank	10,710	377	11,087
Cash and cash equivalents	10,710	377	11,087

19 Pensions

The Group established a defined contribution stakeholder scheme for employees who commenced employment after 1 January 2002. The Group contributes up to 5% of salary so long as the members do the same. However, members can contribute a higher amount if they wish to do so. Contributions to the stakeholder scheme amounting to £200k (2022: £180k) were payable at 31 March 2023 and are included in creditors. The assets of the stakeholder scheme are invested with Scottish Widows.

The Group formerly operated two funded defined benefit pension schemes, one for the employees who transferred from LPC (the LPC Scheme) and one for other employees of the Trust and its subsidiaries who commenced employment before 31 December 2001 (the BRE Scheme). The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC scheme at 31 March 2009. The two schemes were merged together during the year ended 31 March 2016 forming the BRE and LPC Pension Scheme. Members of the BRE and LPC Pension Scheme have also been offered membership of the Groups defined contribution stakeholder scheme on the same terms as other members.

19 Pensions (cont.)

The pension cost for the year represents contributions payable by the Group to the BRE and LPC Pension Scheme and amounted to £2,778k (2022: £2,593k). All the pension costs relate to unrestricted funds and have been allocated between activities based on the level of income for the year. The assets of the defined benefit schemes are managed by Aon Fund Managers held separately from those of the Group, being invested with Ruffer, Schroders, BGO, AIL and the DRC Fund.

Management charges of £547k (2022: £518k) were incurred in respect of the BRE and LPC Pension Scheme. Contributions to this scheme amounting to £247k (2022: £221k) were payable at 31 March 2023 and are included in creditors. Monthly contributions to the schemes are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Under a 'recovery plan' agreed with the pension trustees (and submitted to the Regulator) the deficit on the BRE and LPC Pension Scheme is partially secured by a direct charge over the Garston site in favour of the pension fund.

The major assumptions used by the actuary were:

	Combined Scheme 2023 %pa	Combined Scheme 2022 %pa	Combined Scheme 2021 %pa
Rate of increase in salaries	2.70	2.80	2.40
Discount rate for calculation of benefits	4.80	2.80	2.10
Inflation (RPI)	3.10	3.50	3.10
Inflation (CPI)	2.70	2.80	2.40

In valuing the liabilities of the pension fund at 31 March 2023, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting an individual, on retirement, to live for a number of years as follows:

The BRE and LPC Pension Scheme

- Current pensioner aged 65: 22.0 years (male) and 24.4 (female)
- Future retiree (aged 45) upon reaching 65: 23.3 years (male) and 25.8 (female)

The assumptions used by the actuary are the Group's best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The asset valuations of the scheme at 31 March 2023 amounted to £68,623k (2022: £93,423k) for the BRE and LPC Pension Scheme. These amounts were sufficient to cover 70% (2022: 75%) of the benefits that had accrued to members.

19 Pensions (cont.)

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long years and thus inherently uncertain, were:

	2023 £'000	2022 £'000
Present value of funded defined benefit obligations	(98,579)	(125,010)
Fair value of assets	68,623	93,423
Net deficit	(29,956)	(31,587)

Movements in present value of defined benefit obligation	2023 £'000	2022 £'000
At 1 April	125,010	133,459
Interest on obligation	3,439	2,756
Actuarial (gain)	(25,537)	(6,803)
Benefits paid	(4,379)	(4,460)
Past service cost (incl. curtailments)	46	58
At 31 March	98,579	125,010

Movements in fair value of assets	2023 £'000	2022 £'000
At 1 April	93,423	91,692
Expected return on assets	2,594	1,906
Actuarial (loss) / gain	(25,793)	1,692
Contributions by employer	2,778	2,593
Benefits paid	(4,379)	(4,460)
At 31 March	68,623	93,423

Amounts recognised in the Consolidated Statement of Financial Activities

	2023 £'000	2022 £'000
Interest on defined benefit obligations	(3,439)	(2,756)
Expected return on assets	2,594	1,906
Past service cost (incl. curtailments)	(46)	(58)
Resources expended (included in other finance costs)	(891)	(908)

19 Pensions (cont.)

	2023 £'000	2022 £'000
Actual return less expected return on assets	(25,793)	1,692
Experience gain on liabilities	(6,677)	732
Change in assumptions underlying the present value of the liabilities	32,214	6,071
Actuarial (loss)/gain	(256)	8,495

Assets

Actual return on the scheme assets during the year:

	2023 £'000	2022 £'000
Return on assets excluding interest	(25,793)	1,692
Interest income on assets	2,594	1,906
Actual return on scheme assts	(23,199)	3,598

In relation to the FRS102 disclosure no deferred tax has been provided on the net deficit of the scheme as no tax liabilities or benefits are expected to arise for the foreseeable future.

The Group expects to contribute approximately £2,964k to the defined benefit scheme in the next financial year.

20 Leases

At 31 March 2023 the Group had future minimum lease payments under non-cancellable operating lease arrangements as follows:

During the year £334k was recognised as an expense in the Statement of Financial Activities in respect of operating leases (2022: £286k)

Plant and machinery expiring:	2023 £'000	2022 £'000
Not later than one year	38	26
Later than one year and not later than five years	68	4
	106	30

20 Leases (continued)

Land and Buildings expiring:	2023 £'000	2022 £'000
Not later than one year	208	209
Later than one year but not later than five years	711	691
Later than five years	176	325
	1,095	1,225

At 31 March 2023 the Group had expected future minimum lease receipts under non-cancellable operating leases as follows:

Future anticipated Lessor income	2023 £'000	2022 £'000
Not later than one year	360	592
Later than one year and not later than five years	590	511
Later than five years	158	170
	1,108	1,273

21 Related party transactions

Trustees and directors
Due to the nature of the Trust's operations and the composition of the Trustees (holding other executive and non-executive roles) from time-to-time transactions will take place with organisations in which a member of the Trustees may have an interest. All transactions involving organisations in which a member of the Trustees may have an interest are conducted at arm's length and in accordance with the Trust's financial regulations and normal sales or procurement procedures. Trustees are required to complete a declaration of interest each year.

During the year, the Group made use of the services of J N Solutions Limited of which Andrew Herbert is a director and shareholder, to the value of £173,000 (2022: £206,000). The amount outstanding at 31 March 2023 due to J N Solutions Limited was £nil (2022: £19,000).

Group companies

- Building Research Limited paid £nil interest on its intercompany loans with the Trust (2022: paid £nil).
- The Trust paid £nil to Building Research Establishment Limited for work performed on research projects being undertaken by the Trust (2022: £10,000).
- The Trust paid £nil to BRE Global Limited for work performed on research projects being undertaken by the Trust (2022: £9,800).

At 31 March 2023, there were intercompany payables from the Trust amounting to £590k (2022: payables from the Trust: £489k) outstanding between the Trust and its subsidiaries.

BRE TRUST

England & Wales - Charity number 1092193

Accounts

BRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 MARCH 2022

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

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Registered office:	Bucknalls Lane Garston Watford Hertfordshire WD25 9XX
Bankers:	Barclays Bank PLC 1 Churchill Place London E14 5HP
Independent Auditors:	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR

BRE Trustees report

The Council of Trustees has pleasure in presenting its report together with the Audited Financial Statements for the year ended 31 March 2022.

Objects and activities

As a charity all the Trust's activities must at all times conform with the statement of 'objects' given in the governing documents, the Articles of Association.

The Trust's objects are for the public benefit:

- to undertake, commission and support research in areas of science, engineering, information technology, management and economics associated with the built environment, including its processes and artefacts;
- to advance knowledge, innovation, and communication, and to promote education and excellence, in all such matters, and to collect, collate and publish useful information, ideas, and data relating thereto; and
- to undertake, commission, facilitate and support such other activities and services as are beneficial to the built environment and charitable in law in accordance with law of England and Wales provided that it will not include any purpose which is not charitable in accordance with s.7 of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission. The Trust continues to create and share new data and information which advance the knowledge and skills of professionals in the built environment. The partners network with public, private, and academic organisations is a means by which this information and knowledge is disseminated but also a route through which the Trust can expand its knowledge and resources. This has also extended outreach through wider engagement particularly with teaching organisations, which the Trust supports, who are already demonstrating societal benefits.

During the year the Trustees undertook a major review of the governance structure of the Trust and subsidiaries. The Trust and Group established a combined working party referred to as the Future Governance and Strategic Review Group to consider all options for the future governance and working arrangements of the Trust, further details of which are set out in this report.

Structure, governance and management

BRE Trust (the "Trust") is a company limited by guarantee (Company number 03282856) and is registered as a charity in England and Wales (No 1092193) and in Scotland (No SCO39320). The Trust was established to provide independent, non-sectorial ownership of the Building Research Establishment, an Executive Agency of the Department of the Environment, when it was transferred to the private sector in March 1997. The Trust is governed by its most recent Articles of Association which were approved by a meeting of members on 6th March 2019. In addition, the Trust provides independent ownership of BRE Group Limited ('BRE Group') which in turn is the owner of businesses resulting from the privatisation of the Building Research Establishment. The Trust protects the independence of BRE Group to ensure that its advice and research remain objective and free from bias. BRE Group continues to have a strong reputation, both nationally and in the international arena, as an impartial and respected consultancy, science and research organisation.

BRE Group Limited is the holding company for Building Research Establishment Limited, BRE Global Limited which are established in England and Wales and BRE Global Assurance (Ireland) Limited, a company established and resident in the Republic of Ireland. These subsidiaries in turn are owners of other trading companies in the UK and the People's Republic of China.

This ownership structure means that:

- BRE Trust has the flexibility, freedom and separation from its investments to promote and carry out its charitable objectives for the public good; and
- BRE Group and its subsidiary companies can maintain independence from each other to meet regulatory requirements.

Trustees and Officers of the Charity

The governing body of the Trust is its Council of Trustees which comprises at least five and no more than ten Trustees at any one point in time. The Directors of the company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the "Trustees".

The term of office for a Trustee is three years and Trustees may serve for three terms. New Trustees are familiarised with the workings of the Trust, its policies, procedures and governance through an induction programme consisting of visits to the head office, meetings with key personnel and officers of BRE Group together with more formal training including ongoing training and support.

The Trustees and Officers serving during the year and up to the time of signing these accounts were as follows:

Trustees	Appointed	Resigned
Philip Wilbraham, Chairman	7 June 2018	
Sir James Wates CBE	6 May 2010	2 June 2021
Sarah Beale	18 January 2019	31 December 2021
Francesca Berriman MBE	1 August 2015	2 June 2021
Paul Hetherington	3 June 2019	
Ashley Hook	18 March 2020	
Prof. Vicky Pope	3 June 2019	
Jonathan Rickard	3 June 2019	

Company Secretary

Dr Paul Conroy	24 January 2022	
Waterstone Company Secretaries Ltd	1 July 2020	31 December 2021

Board Tenure, Gender Diversity and Meetings

As at 31 March 2022 the tenure and diversity of the Trust board was as follows:

Tenure		Gender Diversity	
< 1 Year	0%	Female	20%
1-3 Years	20%	Male	80%
3-6 Years	80%		

The Board met four times in 2021/22, 2 Jun 2021, 16 Aug 2021, 7 Oct 2021, 23 Nov 2021.

Executive Staff

The Trustees have delegated certain operational management of the Trust's affairs to Gillian Charlesworth, the CEO of BRE Group. BRE Group continues to provide support to the Trust to assist in the day to day management of its activities. Paul Conroy provides legal and governance support to the Trustees.

Governance Framework

The Trust has adopted the Charity Governance Code for Larger Charities as the basis for its governance. The Code sets the principles and recommended good governance for charities. The Trust measures itself against the seven principles and the recommendations and guidance they provide to ensure the continuous improvement and highest standards of governance.

As part of the drive for continuous improvement the Trustees and Directors of BRE Group established a working party called the Future Governance and Strategic Review Group to look at the options for the structure and governance of BRE Trust and Group. The working party met throughout the year, on a regular basis, they commissioned several reports from external legal advisors and the Trustee's auditors regarding governance and structure. The working party reported to both BRE Group board and the Trustees at each of their meetings and gave a detailed presentation on the 7 July 2021 and on the 23 November 2021.

Governance Framework (cont.)

Following this review, the Trustees agreed to a number of changes in the board of directors of BRE Group as well as in the committee structure. Piers White retired from the board of BRE Group at the end of March 2022 and Phil Wilbraham was appointed to the BRE Group board as interim chair. Following Darren Messem's retirement on the 6 April 2022 Paul Hetherington also joined the board of BRE Group. The appointment of two trustees to the board of BRE Group, with significant industry knowledge, will strengthen the BRE Group board and ensure closer working arrangements exist between the Trustee's and its subsidiary.

The Board of Directors of BRE Group is made up as follows:

Director	Position	Appointed	Resigned
Philip Wilbraham	NED (Chair)	1 April 2022	
Piers White	NED	1 November 2019;	31 March 2022
Gillian Charlesworth	CEO	21 May 2019	
Andrew Herbert	CFO	9 August 2019	
Paul Hetherington	NED	16 May 2022	
Darran Messem	NED	8 July 2019	6 April 2022
Malathy Sivapunniyan	NED	5 October 2020	15 July 2022
Ashley Wheaton	NED	11 July 2016	31 December 2021

Director appointments to the BRE Group Board are made by both the Trustees and BRE Group, the majority of the Directors at any one time being those appointed by the Trust.

Standing Committees

The BRE Trust Council delegates some of its work to committees and the committees report to the Council their discussion, actions and recommendations. There are three committees of BRE Trust at the time of signing of this report:

- Risk and Audit Committee
- Programmes Committee
- Nominations Committee

In addition, BRE Group which is a wholly owned subsidiary of BRE Trust has two standing committees, a Risk and Audit committee and a Remunerations and Nominations committee. These committees are now more closely aligned with the BRE Trust committees, details of which are set out below.

BRE Trust Risk and Audit Committee and BRE Group Risk and Audit committee:

The Trust's Risk and Audit Committee supports the Trust Board's responsibility for oversight of risk management, the control environment, policy review and the integrity of financial statements and reporting. It seeks assurance from the BRE Group Board on the sound management of its investments. The committee membership consisted of Sarah Beale (Chair) who retired from the committee on 31 December 2021 and Jonathan Rickard and includes at request attendance from members of the Group Board. Following the retirement of Sarah Beale, the Trustees are currently conducting a search for a new member of the committee.

BRE Group Risk and Audit committee is responsible for oversight of both the external audit work as well as looking at the internal financial controls, internal controls, and risk management system across BRE Group. The committee membership consisted of Malathy Sivapunniyan (Chair) and Darran Messem (retired 6 April 2022).

The two Risk and Audit Committees moved towards joint meetings during the year as part of the changes introduced by the Future Governance and Structures Group, with the aim of facilitating closer working between BRE Group and the Trust. The two committees met jointly 3 times during the year: 13 July 2021, 10 August 2021, 13 December 2021 and BRE Group Risk and Audit committee also met on 14 September 2021 with just Jonathan Rickard in attendance from BRE Trust Risk and Audit committee.

BRE Trust Programmes Committee:

The Programme Committee approves the funding for research and education projects, provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching. The key activities are the review of progress with the programmes, review of the operations processes, review of the relevant risks and communications and promotions of the programme.

The Programme Committee membership consisted of Francesca Berriman MBE (Chair) (retired 19 May 2021) Paul Hetherington (Chair from 19 May 2021) and Ashley Hook. The Committee met twice during the year: 19 May 2021 and 16 Sep 2021.

BRE Trust Nominations Committee and BRE Group Remuneration and Nominations Committee:

The BRE Trust Nominations Committee manages the appointment of new trustees and reviews the roles and responsibilities of both Trustees and the Chair of Trustees. Given the governance changes outlined elsewhere in this report the Board of Trustees agreed, at their meeting on the 23 November 2021, to nominate two additional members to the BRE Trust and Jonathan Rickard and Vicky Pope joined the committee from that date. The committee has met twice during the financial year on 9 November 2021 and 6 January 2022.

The committee members during the financial year were Sir James Wates (Chair) (resigned 2 June 2021), Francesca Berriman (resigned 2 June 2021), Ashley Hook (Chair), Philip Wilbraham (appointed 24 March 2021), Jonathan Rickard (appointed 23 November 2021) and Vicky Pope (appointed 23 November 2021).

The BRE Group Remuneration and Nominations Committee is responsible for determining the remuneration and conditions of the executive directors of the Group. In determining appropriate levels of remuneration for the executive directors, the Remuneration and Nominations Committee aims to provide packages that are competitive in the marketplace and will attract and retain high quality executives capable of achieving the BRE Group's objectives and ultimately those of the Trust. Executive pay is externally benchmarked using Korn Ferry Hay PayNet data. Our remuneration approach is to aim to pay market salaries whilst considering the total cash compensation for executive roles which balance affordability with attracting and retaining the right talent that we need.

Membership of the BRE Group Remuneration and Nominations Committee consisted of Darran Messem (Chair retired 6 April 2022), Ashley Wheaton (retired 31 December 2021) and Piers White (retired 31 March 2022). The Committee met twice during the financial year on 29 June 2021 and 26 January 2022 and meetings were observed by Trustee Philip Wilbraham and Ashley Hook representing BRE Trust.

Introduction

As a leading independent built environment charity the BRE Trust is dedicated to improving the built environment for the benefit of society. BRE Group supports the work of BRE Trust by bringing the benefits of applied research – in the form of digital products, standards, testing and certification, training and qualifications – to key sectors in the built environment.

BRE Group provides services across a wide range of sectors within the built environment. The work spans safety, security and sustainability, and includes benchmarking schemes around sustainability; testing, certification and verification of construction products and systems; physical security testing and accreditation; health, safety and waste monitoring; advisory services and training. The Group's strategy is to provide expertise to these sectors providing them with support and solutions for issues of critical, long-term importance, for the benefit of all.

Purpose

BRE exists to contribute to a thriving and sustainable world by developing science-led solutions to built environment challenges

Our vision sets out what we want to achieve in the long term:

To be the world-leading innovation, science, and data hub for the built environment

We're ambitious in terms of quality and global scope. We want governments and commercial markets to recognise us and demand our services, products and solutions. We want to be world-class, innovative, science-led and to bring our data to the fore in terms of providing our solutions.

Achievements and performance

Performance review

In three years, we have seen a turnaround from a £4m loss before tax to net income for 2021/22 of £8.8m, enabling us to continue investing in the future and innovation. Through a rigorous review of operations, structure, reputation and markets we have succeeded in building a BRE that is ready to face the challenges of the future.

External climate

During the last year Construction has been deeply affected by the shortage of some materials and general supply chain disruption resulting from the legacy of the pandemic. This has to date caused inflation of up to 12% for some materials further curtailing the slim margins already present in some areas of the market.

The severity of the situation with the invasion of Ukraine by Russia is playing out across international markets and is clearly having an impact on European and global trade which we will need to carefully monitor.

The drive towards ESG continues to be led by customer, investor, and employee pressure to focus on these issues. There is increasing discussion of global standards, being led by the financial sector, in a bid to find a universal way of measuring the value, performance and potential of individual properties and portfolios.

Safety and assurance legislation and regulation is evolving in the UK. Module 6 of the Grenfell Tower Inquiry addresses the role of government and the urgent need for regime reform. The UK government, particularly the Department for Business, Energy and Industrial Strategy (BEIS) and Department for Levelling Up, Housing and Communities (DLUHC) policy decisions, will continue to have a major impact on our assurance work.

The impact of UK leaving the EU continues to be felt as trade agreements are developed, and the effect on investment and standards becomes apparent, with concerns about the particular impact on construction product standards. In mitigation we will continue to deepen the relationships we have now established with government and other key stakeholders to ensure that public safety and protection is enhanced. We are confident in our ability to expand our opportunities and widen our role as leading experts in building science, assurance and as a data driven innovative business. Our deep review of assurance will provide a basis for this ambition.

BRE Trust Achievements and performance

The BRE Trust uses its reserves and any income received both through gift aid donated by BRE Group and from other external resources to fund new research and education programmes. The BRE Trust programme is based on three key themes of wellbeing, sustainability and resilience.

BRE Trust largely achieves its objectives by commissioning work with other delivery organisations and thus the need to be able to track and quantify this work is important. An initial report was completed in February 2021 to map the impacts that the programme has created against the UN Sustainable Development Goals, an external framework which many organisations, particularly in the charities sector, are now using to assess their activities. A summary of this review can be found at www.bretrust.org.uk.

BRE Trust did not undertake any fundraising activity requiring disclosure under S162A of the charities Act 2011.

BRE Group achievements in the year and future opportunities:

BRE Group, like most organisations in the UK had an uncertain start to the financial year with Covid still present and concerns about the economy given the challenges with new variants of Covid, supply chain issues, Brexit and resource challenges. We had originally based our plans on coming out of Covid lockdown in the late summer of 2021 which would allow staff to travel more freely and visit clients for assessments and consultancy assignments. The lockdown remained longer than we expected, and we continued to be impacted by supply chain challenges.

Financial Review

The financial statements have been prepared on the basis of the accounting policies set out in note 1 to the financial statements and comply with the current statutory requirements, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in January 2019 (the "SORP").

The consolidated results for the BRE Trust show a net income before tax of £8.8m (2021: £2.6m) for the year on income of £59.6m (2021: £52.3m). We have increased income by 13% compared to the previous year with significant increases in our Building Performance Services division as well as Assurance Services. The restructuring work that was undertaken in the previous financial year has allowed us to achieve the 13% increase in income whilst only increasing costs by 2%.

During the year we have invested significantly in the site at Garston, renovating two large office blocks dating from the 1970s and 1980s with the assistance of grant funding from the Local Enterprise Partnership in Hertfordshire. This has improved the working environment for our staff as well as creating space for other businesses to collaborate with BRE and other tenants on the Garston site. Our triannual valuation of the site saw a significant increase in the market value to £25.7m which is a gain on revaluation of £4.7m.

We have also seen a positive movement in the deficit on the BRE and LPC Pension Scheme. As at 31 March 2022 the scheme actuaries valued the deficit at £31.6m compared to £41.8m in the previous year. This has seen an actuarial gain of £8.5m in the year compared to a loss of £10.6m in the previous year.

Overall, the improvement in net income of £8.8m, the gain on revaluation of the site of £4.7m and the actuarial gain of £8.5m means that BRE Trust now has funds of £6.6m as at 31 March 2022 compared to a deficit at the end of 2021 of £14.8m.

Building Performance Services (BPS)

BREAM is BRE's flagship building performance benchmarking product. It was the first of its kind 30 years ago and maintains a leading status in the market for the robustness of measurement and quality of data generated. BREEAM generated an income of £15.9m in 2021/22, a notable increase from 2020/21 income of £11.5m despite the difficult trading conditions caused by the Covid pandemic and difficulty with supply chains and inflated product prices in some areas.

During 2021/22 there has been a wholescale redevelopment of the platform and process upon which BREEAM operates. With a digital and data focus, the platform is scheduled to launch in the summer of 2022. This will be the forerunner for a number of other areas within BPS to move to the digital platform, enhancing the customer journey, and enabling customers to achieve their sustainability goals using our services at scale, and beginning the move to the provision of a whole life offering for assets – of any type.

Building Performance Services (BPS) (cont.)

The ESG data market was poised to hit $1 billion in 2021 alone (pionline.com). Spending on ESG data continues to increase rapidly, as customer demand becomes more sophisticated and there is real association between the efficiency of an asset and its value. BRE currently has less than 5% market penetration (as measured by asset numbers) demonstrating considerable potential for growth. However, with attractive market growth and limited entry barriers it is likely competition will increase.

The BRE Academy provides a range of training courses covering areas related to fire safety, BREEAM, CEEQUAL, resilience and Building Information Modelling (BIM). The BRE Academy exceeded all its targets, demonstrating an increasing demand for fire safety training and strong interest in BREEAM, both in the UK and internationally. We anticipate this trend will continue, with the UK government's focus on building safety with the introduction of new construction products and building safety regulators through the Building Safety Regulator.

The Housing and Energy teams have had a positive year with an income of £4.6m up from £4.3m last year. Core activity with BEIS and DLUHC remains strong with the delivery of the multi-year English Housing Survey and Standard Assessment Procedure (SAP) programmes. The Housing and Health team continued to secure work delivering modelling for local authorities indicating residential dwellings areas most closely linked with ill health, work that will continue throughout the coming year. Autumn 2021 saw the publication by BRE of a report on the 'Cost of Poor Housing in England' which highlighted the cost to the NHS directly linked to poor housing to be £1.4bn.

Assurance Services

The Assurance division is made up of 15 business units with specialisms in Fire, Security, Construction, Environment and Assessment Services, each business unit offers testing, inspection and certification. Our main customers are fire, security and construction product manufacturers, as well as construction and infrastructure companies, construction product installers and government contracts. Fire Detection & Electronic Testing (FDET) and the Fire Resistance team in passive are the highest revenue earners. The division generated an overall income of £22.6m for 2021/22, an increase of 15% on 2020/21 with the main source of revenue generation beings through our test laboratories and our LPCB certification schemes.

In January 2022 a full strategic review of the Assurance division commenced and is expected to take around nine months to complete, with multiple phases and a close relationship to external events, including new legislation and the outcomes of the Grenfell Tower Inquiry. This will lead to recommendations of future commercial services in the light of external developments.

Innovation

The role of the Innovation Team is to lead our research and innovation activities, ensuring that BRE provides impactful thought leadership in pursuit of our purpose. The innovation strategy is key to the achievement of our objectives.

Throughout 2021/22 BRE Trust and the Group continued to commission and support research in the built environment for the public benefit by either leading or participating in both UK Government initiatives including the Construction Innovation Hub. This project generated income of £5.4m (2021: £7.4m). By providing impartial research services to these programmes the Trust has been able to generate new knowledge and undertake cutting-edge research into areas as diverse as flood resilience, solar energy development, building materials research and future smart cities. BRE Trust and the Group are continuing to participate in similar governmental programmes and will do so into the future. The Construction Innovation Hub project will be finishing in September 2022.

The head office site at Garston includes the Innovation Park and is home to leading research facilities which have been established to inform sustainable development at a global level and stimulate innovation within the built environment. The park features full-scale demonstration buildings that have been developed by industry partners to achieve commercial goals. These buildings display innovative design, materials and technologies which combine to address the development challenges facing regions across the world.

The innovation strategy was reviewed and endorsed by Trustees and the Group Board in July 2021, and a new Director joined BRE in April 2022 to lead these programmes.

International Activities

The performance of BRE China, a subsidiary in the Group, has remained stable although like most businesses continues to be impacted by the Covid pandemic. This subsidiary provides a range of services within the built environment to businesses based in China and the wider Asian market including Hong Kong. The focus is around training in BREEAM and BIM as well as providing support to BREEAM customers in the region. Revenue remained fairly constant at £472k compared to the previous year of £503k which is a positive result given the impact of the Covid pandemic. Interest in sustainable buildings, green finance and health and wellbeing is growing in China and there is a real opportunity to build on the business secured to date.

BRE Global Assurance (Ireland) Limited, another subsidiary of BRE Group, received regulatory approval as a Notified Body by the European Commission on 4 October 2019 and with that a mandate to carry out conformity assessments in accordance with the EU Directive. This has enabled BRE Group to continue with certification work within the EU post the UK's exit on 31 December 2020. A strong team has been assembled in Ireland and started to undertake certification work at the beginning of 2020. Opportunities are being developed in Ireland and across Europe and BRE Group is in a strong position to grow this business. Income generated in Ireland was £328k for the year 2021/22.

Commercial Activities

Commercial activities, which includes rental income from our site at Garston generated income of £1.4m (2021 £1.2m) in the year. In addition, £2.2m was received in grant income from the Local Enterprise Partnership in Hertfordshire for the redevelopment of two buildings on the site. This redeveloped space, which has now been completed, is available for rent to businesses working in the built environment. This has created a real opportunity to bring together other companies in the built environment looking to collaborate on projects with BRE and other businesses.

Employee engagement and development

Our people are integral to the success of the Group, and we are proud of the passion and wide-ranging expertise and skills of our colleagues across the business. This year has seen a renewed focus on attracting and retaining talent to shore up our existing core competencies and add new skills required to deliver our plans.

Our resourcing strategy has combined the re-deployment and upskilling of existing members of the team with the recruitment of new roles. This has enabled a more sustainable approach to skills development and progression, particularly in product management, data and digital competencies.

Volatility in the employment market created the need for an agile response to our employee proposition, particularly in remuneration and highlighted the need to expedite our longer-term plans for reward and benefits. This, coupled with the significant amount of change in the business has demanded even greater efforts to safeguard colleague engagement which has been supported largely by the introduction of change management and internal communications expertise.

We have broadened expertise in the People function, recruiting a Head of Talent and Development to lead our talent initiatives. This year, development opportunities have been increased across the organisation. We have significantly enhanced the range of content available on our learning and development platform, providing far greater access to technical and behavioural skills development, including the opportunity to complete certified learning programmes. The addition of a Learning and Development manager also enables us to develop and deliver quality assured, bespoke content which has had a considerable impact on our L&D offering.

As a result of an extensive engagement exercise across the business, a behavioural framework has been designed to support the embedding of our revised values and behaviours which underpin our refreshed brand. Work has begun to reinforce our behaviours throughout all our people practices, safeguarding brand equity and ensuring a consistency to both our customer and colleague experience which, in turn, solidifies engagement.

The, 'Future of work', project has been successfully delivered as a workstream of the office refurbishment programme. Engaging with the team very early in the project mitigated the impact of the changes to ways of working brought about by the introduction of different working categories; hybrid, site based and home working. Inputs from the team were incorporated into this first phase of the site development plan, ensuring that requirements to facilitate new ways of working were considered. We continue to use our new on site workspace as a, 'living laboratory', encouraging continuous feedback to inform future site development projects. To further support the transition, development programmes have been delivered to People Managers to equip them with skills to manage the nuances of teams made up of colleagues with diverse working arrangements.

Employee engagement and development (cont.)

We continue to focus on creating an inclusive environment where we can attract, retain and motivate the very best people. To ensure that diverse thinking is incorporated into our decision making on matters affecting our employees, this year we established the Colleague Forum. Representatives from across the business will meet with the Executive on a regular basis to share ideas, thoughts and opinions on such matters – further enhancing engagement and development.

BRE Sustainability Plan

Our current Sustainability Strategy **S Plan** was established in 2008 to demonstrate BRE's commitment to sustainability across 7 key areas, primarily environmental, and focusing on the BRE Garston site. It covers Energy, Water, Waste, Transport, Ecology, Procurement and Supply Chain and Communications and Engagement. Supporting the UK Green Building Council Climate Pledge initiative, the BRE S Plan 2020 set a number of targets to deliver real and measurable improvements in our business and reduce our major impacts on the environment.

In addition, a group of S Plan Champions were formed, drawn from across the business and dedicated to identifying and implementing projects and engaging employees in all aspects of the S Plan. This group reviews progress against sustainability targets and projects and meets on a quarterly basis, along with the Health, Safety and Environment Compliance Manager and the Head of Estates & HSE. BRE is also certified as complying with ISO14001, which includes requirements for reporting on energy, waste and water.

SECR reporting

This is the third year that BRE Trust has been required to report under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Reporting) Regulations 2018 ("the 2018 Regulations") which require us to disclose our annual energy use and greenhouse gas emissions. However, we have always carefully monitored our energy use as part of our ISO14001 accreditation and wherever possible reduced our use of energy and in particular tried to minimise our greenhouse gas emissions.

As part of the work on complying with the 2018 Regulations we commissioned an independent report from a building services consultancy company to analyse the energy data from our UK activities for the 12 month period to 31 March 2022 as well as comparing to the previous two periods. Details of this data and the methodology used to calculate the emissions are set out below.

Emissions generated for the burning of natural gas on site are considered Scope 1 (direct combustion), while emissions generated off-site from the provision of grid electricity are considered Scope 2 (Indirect energy from generating electricity) and Scope 3 (Transmission and Distribution losses associated with delivering electricity through the grid). Reporting of Emissions resulting from the use of grid electricity and natural gas were calculated using the UK Government GHG Conversion Factors for Company Reporting last updated January 2022.

In addition to the energy used in the buildings across our estate we also use energy for transport fuel both in company owned vehicles, which are included in Scope 1 and in hired vehicles or private employee-owned vehicles (Scope 3 indirect emissions). Fuel consumption data was calculated from a combination of employee expenses claims for fuel purchased and for miles travelled.

SECR reporting (cont.)

		2021/22		2020/21		2019/20	
Emissions Scope	Source	MWh	tCO_2	MWh	tCO_2	MWh	tCO_2
Scope 1	Natural Gas and business travel (company cars)	6,607	1,210	3,190	587	3,948	726
Scope 2	Electricity	4,346	923	2,393	606	3,961	1,012
Scope 3	Business travel and electricity transmission and distribution losses	219	136	157	84	736	258
Total scope 1 and 2		10,953	2,133	5,584	1,193	7,908	1,739
Total scope 1, 2 and 3		11,172	2,269	5,740	1,277	8,645	1,997
Floor area (m^2)		31,214		29,907		31,907	
EmIR ($kgCO_2e/m^2$)			72.7		42.7		62.6
EIR scope 1 and 2 (kWh/m^2)		350.9		186.7		247.8	
EIR scope 1, 2 and 3 (kWh/m^2)		357.9		191.9		270.9	

Intensity ratios can be used in order to compare overall emissions data with an appropriate business metric to allow a measure of comparison with other similar businesses. In the case of BRE given that most of the energy is used in the buildings occupied by the organisation we have selected an energy intensity ratio of kWh/m^2.

BRE currently occupies 48 buildings with a total floor area of 31,214m^2. Using the total energy consumption of the buildings used by BRE the Energy Intensity Ratio (EIR) for scope 1&2 activities is 350.9kWh/m^2 (2021: 186.7kWh/m^2) and including all three areas, scopes 1,2 & 3 the EIR is 357.9kWh/m^2 (2021: 191.9 kWh/m^2).

Using the total Scopes 1, 2 and 3 emissions figures we can also calculate the Emissions Intensity Ratio (EmIR) for 2022 reporting year of 72.7$kgCO_2/m^2$ (2021: 42.7$kgCO_2/m^2$) an increase of 70% in the Emissions Intensity Ratio over the previous year which was significantly impacted by the Covid pandemic, and an increase of 16% above 2019/20 levels.

Over the past year we have installed LED lighting in ten buildings on our site at Garston, replaced inefficient gas boilers in four of our buildings, replaced the roof and insulated the space and replaced an air conditioning unit to reduce the electricity and gas usage. The effect of these measures will be tracked by reviewing the monthly electricity and gas consumption figures for each building over time and opportunities for further energy efficiency measures will be identified and implemented where appropriate.

Pension Scheme

The FRS102 pension scheme deficits relates to the BRE and LPC Pension Scheme which is the former defined benefit pension scheme operated by Building Research Establishment Limited (BRE Ltd) a subsidiary of the Group. The deficit decreased during the year to £31.6m (2021 £41.8m) further details of which are set out in note 19 to the financial statements. This decrease in the scheme deficit is in part due to the decrease in the present value of the benefit obligations, as well as an improvement in the value of the assets of the scheme, along with the payments by the Group as part of the deficit reduction plan agreed with the pension trustees. The Directors of BRE Ltd consider that since the Company is able to meet all of its short and medium term liabilities, and the nature of the pension scheme deficit is long term, that this does not impact on the Trust as a going concern.

Reserves Policy

BRE Trust has a reserves policy which requires it to maintain reserves at a level equivalent to total committed contract value plus three months of operating costs. This enables the BRE Trustees to manage financial risk and short-term income volatility. Free reserves available for use exclude restricted funds and the fixed assets held as unrestricted funds. Free reserves also exclude any long-term liabilities, and any deficit reported on the pension scheme. Should other funding not be received, the cash reserves should be used to pay committed contracts incurred defined by the notice period of the contract.

At 31 March 2022, committed contract value was £41k and three months operating costs were forecast at £12k which total £53k. BRE Trust has cash of £53k to meet these commitments and the excess cash of £772k is reflected in net reserves meaning that minimum reserves were being maintained.

The BRE Trustees will review the group reserves each year to assess the value of the reserves required to be held in cash and cash equivalents that are not restricted to any particular purpose. During the year the Trustees reviewed the total reserves, the operating costs of the Trust and the commitments under long term contracts and have ceased to enter into new long term commitments pending a full review of the BRE Trust structure and governance model.

Free reserves	2022 £'000	2021 £'000
Total unrestricted funds	3,073	(16,059)
Add: Pension liability	31,587	41,767
Net unrestricted funds	34,660	25,708
Less: Unrestricted fixed assets	(18,468)	(20,131)
Total free reserves	16,192	5,577
Represented by:		
Net current and intangible assets	11,995	7,456
Investments	6,400	-
Provisions	(2,203)	(1,879)
Total free reserves	16,192	5,577

The net movement in unrestricted funds in the year was an increase in the unrestricted funds of £19.1m (2021: increase in the negative unrestricted funds of £8.4m) due to net income for the year of £5.9m (2021: £2.5m), a gain on revaluation of fixed assets of £4.7m (2021: £nil) and an actuarial gain on the defined benefit pension scheme of £8.5m (2021: loss £10.6m) and a transfer between funds of £nil (2021: £0.3m).

Going Concern

BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the significant improvement in the level of reserves, excluding pension impact, and the net income of £8.8m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, particularly given the impact of Covid-19, as well as the budgets for 2022 and 2023 and the cashflow projections for the Trust and BRE Group. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the risks to income by looking at where the revenue is secure through committed contracts, where there are ongoing long-standing client relationships and where the revenue is more uncertain.

In addition to analysing the income the BRE Trustees have reviewed the cost base in detail, particularly in light of current inflation levels but also as part of the on-going cost control implemented last year. The costs of the restructuring were supported by short term cash funding of £1.7m from the escrow account established on the sale of part of the site at BRE Group's head office at Garston. This borrowing was repaid in 2021 in line with the agreement. This recent review has examined the forecast and budgeted costs at divisional and team levels to ensure these costs are managed effectively, that the risks where costs could increase are understood and the areas where further savings can be made are identified. Further refurbishment work is being planned for some of the offices and laboratories in Garston. This will allow the Group to reduce the space needed in offices and some of this will be made available to grow rental income but also encourage collaboration on site with other organisations.

Going Concern (cont.)

The Construction Innovation Hub is a £72m, four-year programme which BRE is delivering (with partners) on behalf of Innovation UK to review the way in which the construction of social infrastructure (Schools, Hospitals, Prisons) takes account of modern methods of construction using a consistent methodology being developed by the programme. CIH is a ground-breaking programme for the UK Government and the industry and provides the potential for innovation in the construction sector both in the UK and internationally. This programme is due to finish in September 2022 having delivered on a number of the key themes of the project.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank was renewed at the beginning of 2022 for a further 12 months. This facility, along with the cash reserves held by the Group will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and BRE Group over the next 12 months and in the medium term.

The planning processes, including financial projections, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Details of the BRE Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan designed to get the scheme to self-sufficiency by 2037.

Taking all this information together, the BRE Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of BRE Trust and its subsidiaries to continue as a going concern. The BRE Trustees consider the main risks to be those set out in the Risk Management section of this report.

Creditors payment policy

The Group operates normal trading terms of payment within 45 days of the date of the invoice when making payments to its creditors.

Risk management

There has been a conscious effort to focus and transform risk management within the Group. There is both a strategic risk register (owned by the Board) and an operational risk register (owned by the Executive Team). Each employee has an opportunity to feed into the latter. Regular risk reporting goes to the Executive Team monthly. Additionally, the strategic risk register has individual risk reports, now tabled at the Risk and Audit Committee meetings on a rotational basis.

It is accepted that such a system of risk management can provide only reasonable and not absolute assurance against material misstatement and loss and that the system is designed to provide the Trustees with reasonable assurance that problems are identified on a timely basis and dealt with appropriately and that systems exist to mitigate those risks.

The key strategic risks are those identified below with key controls and the changes from last year.

Risk Management (cont.)

Strategic Risks	Risk control and mitigation	Change from last year
Financial stability and profit generation	• Robust annual business planning and budgeting. • Effective short- and medium-term cash management plans. • Regular analysis of actual results against budgets and forecasts to identify issues with forecasting (includes monitoring of economy). • Monthly forecasting with detailed analysis of changes against prior month. • Maintenance of overdraft facility as mitigation to risk in downturn. • Regular dialogue with pension trustees to maintain options with Escrow funding or reduced pension payments.	• Business planning process continues to evolve with improvements in metrics. • The pension recovery plan remains on track with the investment strategy hedging risks appropriately. Policies and procedures are in line with the prior year. • Monthly forecasting is improving with more insight from the teams which is also improving cashflow forecasting.
Cyber security	• Next generation firewalls and Anti-virus, Anti Malware systems in place. • Web application and secure email gateway in place. • Security information and event management system which collects information from all key IT infrastructure and is monitored 24/7. • Annual penetration testing and maintenance of Cyber Essentials Plus certification. • Annual training requirement for all colleagues on cybersecurity and phishing. • Requirement for third party IT suppliers to have formal certification such as ISO 27001 or CREST. • Dual server centres in place with independent internet connectivity replicating data to provide resilience across the network.	• This is a continuous threat that is ever changing and needs constant mitigation as this risk continues to grow with new methods of attack and increased regulation.
Ineffective talent attraction/retention	• A Wellbeing offering is in place to support colleagues with mental, physical and financial wellbeing. • Biannual Sustainable Engagement Index. • Colleague Forum established to enhance communication. • Formation and regular meetings of the EDI group. • Key people and skills are identified with opportunities to upskill employees. • Flexible and remote working options available where circumstances allow. • Timely and focussed recruitment, with bench-marking pay using external resources as well as against industry norms. • Improved engagement with employees including implementation of Job Families, regular Performance and Development Reviews and management oversight.	• The Covid pandemic has resulted in risks associated with talent attraction and retention. We are continuing to monitor and improve employee engagement as well as employee wellbeing given the impact Covid-19 has had on all our colleagues. We have introduced flexible working arrangements where appropriate and established a colleague forum.

Risk Management (cont.)

Strategic Risks	Risk control and mitigation	Change from last year
Regulatory non compliance	• A central group management system is in place for processes and procedures. • Independent Quality and Compliance Department. • Independent Risk and Internal Audit Department. • Legislation register in place. • Improved engagement with government departments to ensure we maintain close working relationships and are able to identify potential changes in policy ahead of implementation.	• An independent Quality and Compliance Department was established this year. • A digital transformation project is underway which will enhance the control environment for the Group Management System.
Lack of market relevance	• Increased customer insight via a quarterly NPS (net promoter score). • Formal 'innovation to market' assessment process and Product Management Methodology. • Customer focus through relationship management and targeted business development capability. • Establishment of industry focused customer groups. For example, net zero, BREEAM. • Establishment of both a corporate affairs team and innovation team working with external audiences and collaborating with the product management function.	• The internal transformation programme and new leadership to improve BRE's market position is progressing well with benefits already been seen within the Academy and Building Performance Services with further work on-going within Assurance Services.
Reputation and brand strength	• Constant press monitoring by Director of Corporate Affairs and Third-Party Press Support. • Pre-prepared statements on likely scenarios. • Defined internal communication process to manage any communication from colleagues, specifically to direct it through corporate affairs and the press office. • All scientific output follows a clear internal review process before issue with follow up process to include lessons learned. • Speaking up policy in place and reviewed annually. • Grenfell inquiry proceedings are monitored closely and BRE has provided a significant volume of information to assist the inquiry and continues to do so.	• We are continuing to apply significant resources to assist the Grenfell inquiry.

Risk Management (cont.)

Strategic Risks	Risk control and mitigation	Change from last year
Challenges to operational delivery	• A central group management system is in place for processes and procedures. • External assessments and prompt follow up/resolution of actions due to enhanced governance structures. • Independent Quality and Compliance Department established. • Project delivery pipeline tracking and works management. Measuring and analysing productivity and performance through improved resource utilisation to identify process and efficiency improvements to increase output and better serve customers timescales and capacity needs. • Product Managers assessing the markets. • Revised effective customer complaints/ compliments process.	• The digital transformation programme will play a key part in reducing this risk and is a key mitigation. • As mentioned above an independent Quality and Compliance Department was established this year. • There is now a formal utilisation process established to assess productivity and performance. Additionally, a review of the customer complaints process and tracking methodology was undertaken.
Responding to long term trends and issues including climate change and ESG changes	• Involvement with Construction Innovation Hub and follow on/maximising legacy opportunity. • Innovation team scanning and engagement with research and innovation community and other sectors for funding and new partnerships/collaborations.	• A new Innovation Director with strong industry experience appointed.

Statement by the Trustees in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006.

The BRE Trustees consider that both individually and together that they have acted in the way they consider, in good faith, would be most likely to promote the success of BRE Trust for the benefit of its stakeholders as a whole (having regard to the matters set out in s172(1)(a-f) and S172(2) of the Act) in the decisions taken during the year ended 31 March 2022. The following paragraphs summarise how the Trustees fulfil the key elements of these duties.

Business planning and risk management

The BRE Trustees maintain its strategic plan for funding world class research in the built environment and consider long term planning as a critical part of how they ensure they understand the long-term consequences of their decisions. The Trustees recognise the nature of the safety critical services provided by BRE Group to its customers and the need to continue to evolve our approach to the risk management.

Our people

Our people are integral to the success of BRE Group and BRE Trust and we are proud of the passion and wide-ranging expertise and skills of our colleagues across the business. This year, we have invested in programmes and initiatives to mitigate the people impact of the changes in the business and to continue to provide an environment in which our colleagues can contribute, thrive and develop. Further details of which are set out in the Strategic Report under the section on Employee engagement and development.

Business and stakeholder relationships

The success of the organisation is dependent on our relationships with all of our stakeholders which include partners for BRE Trust, our customers for BRE Group as well as all our suppliers and staff. At BRE Trust we have focused heavily on building a network of like-minded organisations to improve research, education and practice in the built environment further details of which are set out in the Strategic Report under the section on Achievements and performance. BRE Group has focused on business development bringing in new commercial resources to work across the product portfolio to gain insight into markets and customers so that we are better able to serve the needs of all our stakeholders.

Community and Environment

The BRE Trustees recognise that the way we construct and manage homes, workplaces and other built assets can have hugely positive impacts on our wellbeing, economic performance and the sustainability and resilience of our built environment. Critical to this and the BRE Trust's core focus is the development of improved products, processes and tools to enhance economic and environmental impacts.

Disclosure of Information to Auditor

Insofar as each of the BRE Trustees of the Group and Charity at the date of approval of this report is aware there is no relevant audit information of which the group and company's auditors is unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group and company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Crowe U.K. LLP will therefore continue in office.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 March 2022

The Trustees (who are also Directors of BRE Trust for the purposes of company law) are responsible for preparing the Trustees' annual report, Strategic report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report, under the Charities Act 2011 and Companies Act 2006, was approved by the Council of Trustees' on 27 July 2022 including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:

PGWilbraham
PGWilbraham (Jul 27, 2022 14:10 GMT+1)

Philip Wilbraham
Chair

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF BRE TRUST

Opinion
We have audited the financial statements of BRE Trust for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2022 and of the group's outgoing resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The Trustees are responsible for the other information contained with the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic 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 Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Trustees' responsibilities statement set out on page 19 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 or the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and discussed these between our audit team members. We then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group for fraud. The only other laws and regulations we considered in this context are;

- General Data Protection Regulation (GDPR)
- ISO standards (ISO 17025, ISO 17065, ISO 9001; Quality Management System, ISO 14001: Environmental Management, ISO 45001: Occupational Health and Safety
- Health and safety legislation
- Taxation legislation
- Employment legislation

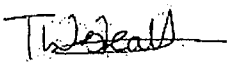
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, designing and implementing audit procedures over income, detailed testing of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Companies House, Charity Commission, OSCR, HMRC, the ICO, Health and Safety Executive (HSE), United Kingdom Accreditation Service (UKAS), Lloyd's Register Quality Assurance (LRQA), the review of internal audit reports and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Cheltenham
Date: 29 July 2022

BRE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE COMPANY INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2022

	Note	Restricted Funds 2022 £'000	Unrestricted Funds 2022 £'000	Total Funds 2022 £'000	Restricted Funds 2021 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000
Income from							
Charitable activities	2	8,067	49,665	57,732	7,635	41,871	49,506
Other trading activities	3	-	1,897	1,897	-	2,782	2,782
Interest receivable		-	10	10	-	4	4
Total		8,067	51,572	59,639	7,635	44,657	52,292
Expenditure on							
Charitable activities	4	(5,876)	(44,916)	(50,792)	(7,915)	(41,789)	(49,704)
Net income before tax		2,191	6,656	8,847	(280)	2,868	2,588
Taxation	8	-	(717)	(717)	-	(383)	(383)
Net income		2,191	5,939	8,130	(280)	2,485	2,205
Transfers between funds		-	-	-	277	(277)	-
Other recognised gains/(losses)							
Gain on revaluation of fixed assets	10	-	4,698	4,698	-	-	-
Actuarial gains / (losses) on defined benefit pension scheme	19	-	8,495	8,495	-	(10,570)	(10,570)
Net movement in funds		2,191	19,132	21,323	(3)	(8,362)	(8,365)
Reconciliation of funds							
Total funds/(deficit) brought forward	16	1,301	(16,059)	(14,758)	1,304	(7,697)	(6,393)
Total funds/(deficit) carried forward		3,492	3,073	6,565	1,301	(16,059)	(14,758)

The accompanying notes on pages 26 to 47 form an integral part of these financial statements.

BRE TRUST

CONSOLIDATED AND COMPANY BALANCE SHEETS
For the year ended 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed assets					
Intangible assets	9	930	1,268	-	-
Tangible assets	10	21,560	21,210	-	-
Investments	11	6,400	-	5,000	5,000
		28,890	22,478	5,000	5,000
Current assets					
Debtors	13	19,441	13,496	1	3
Cash		10,710	9,103	825	731
Creditors: amounts falling due within one year	14	(18,686)	(16,189)	(542)	(601)
Net current assets		11,465	6,410	284	133
Total assets less current liabilities		40,355	28,888	5,284	5,133
Provisions for liabilities	15	(2,203)	(1,879)	-	-
Net assets excluding pensions liabilities		38,152	27,009	5,284	5,133
Defined benefit pension scheme liability	19	(31,587)	(41,767)	-	-
Net assets / (liabilities) including pension liabilities		6,565	(14,758)	5,284	5,133
Funds of the Group					
Unrestricted funds:					
General fund	16	19,705	15,451	5,146	4,995
Revaluation reserve	16	14,955	10,257	-	-
Pension reserve	16	(31,587)	(41,767)	-	-
Restricted funds:					
Other reserve	16	9	9	-	-
Capital reserve	16	3,083	1,070	-	-
Income fund	16	400	222	138	138
Total funds/(deficit)		6,565	(14,758)	5,284	5,133

The total income for the year of the Charity dealt with in the financial statements was £92k (2021: £ nil) and total expenditure was £59k (2021: £611k).

The accompanying notes on pages 26 to 47 form an integral part of these financial statements.
These financial statements were approved by the Trustees on 27 July 2022

PGWilbraham
PGWilbraham (Jul 27, 2022 14:18 GMT+1)

Philip Wilbraham
Chairman
Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

BRE TRUST

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Net cash from operating activities	17	5,755	6,332
Cash flows from investing activities			
Interest received		10	4
Acquisition of tangible fixed assets	10	(3,617)	(247)
Acquisition of intangible fixed assets	9	(541)	(1,478)
Net cash used by investing activities		(4,148)	(1,721)
Increase in cash and cash equivalents in the year	18	1,607	4,611
Cash and cash equivalents at the beginning of the reporting period		9,103	4,492
Cash and cash equivalents at the end of the reporting period		10,710	9,103

The accompanying notes on pages 26 to 47 form an integral part of these financial statements.

1 Accounting policies

Charity information

BRE Trust is a company limited by guarantee in England and Wales (registered number 03282856) and is registered as a charity in England and Wales (No. 1092193) and in Scotland (No. SCO39320). The registered office is Bucknalls Lane, Garston, Watford, Hertfordshire, WD25 9XX.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. BRE Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

The Group financial statements consolidate the financial statements of the Charitable Company and its subsidiary undertakings drawn up to 31 March each year. With the exception of BRE China the financial statements of subsidiaries are prepared for the same reporting year as the Trust using consistent accounting policies. Even though BRE China has a 31 December reporting date the consolidated accounts include its results for the 12 months to 31 March 2022. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition or up to the date of disposal.

Details of the principal subsidiary undertakings are shown in note 12. Transactions or balances between BRE Trust Group entities have been eliminated on consolidation and are not reported.

Critical accounting judgements and estimation uncertainty

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates which could differ from actual outcomes. The items in the financial statements where these judgements and estimates have been made are:

- Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured using a percentage completion method.
- The assessment of the Trust and Group as a going concern, further details regarding this judgement are set out under this heading below.
- The provisions made in respect of bad or doubtful debts which is based on historical experience of our debtors and specific knowledge of individual bad debts.
- The assumptions used to value the defined benefit pension scheme obligations and other defined benefit plans, which are based on best estimates of the discount rate to apply and inflation rates, further details of which are set out in note 19 to these financial statements,
- Impairment and valuation of non-current assets and the remaining useful life of assets which is based on future plans for the use of the assets.

Going concern

BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the significant improvement in the level of reserves, excluding pension impact, and the net income of £8.8m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, particularly given the impact of Covid-19, as well as the budgets for 2022 and 2023 and the cashflow projections for the Trust and BRE Group. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the risks to income by looking at where the revenue is secure through committed contracts, where there are ongoing long-standing client relationships and where the revenue is more uncertain.

1 Accounting policies (cont.)

Going concern (cont.)
In addition to analysing the income the BRE Trustees have reviewed the cost base in detail, particularly in light of current inflation levels but also as part of the on-going cost control implemented last year. The costs of the restructuring were supported by short term cash funding of £1.7m from the escrow account established on the sale of part of the site at BRE Group's head office at Garston. This borrowing was repaid in 2021 in line with the agreement. This recent review has examined the forecast and budgeted costs at divisional and team levels to ensure these costs are managed effectively, that the risks where costs could increase are understood and the areas where further savings can be made are identified. Further refurbishment work is being planned for some of the offices and laboratories in Garston. This will allow the Group to reduce the space needed in offices and some of this will be made available to grow rental income but also encourage collaboration on site with other organisations.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank remains in place. This facility along with the cash held by the Group will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and the Group over the next 12 months and in the medium term.

The planning processes, including financial projections, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Details of the Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan which is designed to get the scheme to self-sufficiency by 2030.

Taking all this information together the Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the Group to continue as a going concern.

Income

Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item of income has been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met and where it is probable that the income will be received, and the amount can be measured reliably.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover reflecting the proportion of work completed to date on the project.

Funds

All funds of the Charity and the Group are unrestricted funds, with the exception of a number of individual grant funded projects, which are restricted. Unrestricted funds are available for the Trustees to apply to research activities that are in accordance with the objects of the Trust. Restricted funds are used for research governed by any conditions accepted at the time the funds are received.

Expenditure
All expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are allocated to the different categories of activities. This is based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. Support costs include processing and administration, human resources, information technology and facilities costs.

Governance costs are included within support costs and include strategic planning costs for the Trust's future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and for preparing statutory financial statements and satisfying public accountability.

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

1 Accounting policies (cont.)

Operating Leases

Operating leases and the payments made under them are charged to the statement of financial activities on a straight-line basis over the lease term. The Group also lets some of its property on short term leases of five years or less which are classified as operating leases. Lease income is recognised on a straight-line basis over the lease term.

Research and development

All research expenditure is charged to the statement of financial activities in the period in which it is incurred. The development costs incurred in the creation of new software products and tools are capitalised under intangibles.

Taxation

BRE Trust is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Trust's UK subsidiary companies give all their taxable profits to the Charity, normally resulting in no liability to corporation tax. Tax is payable by overseas subsidiaries in accordance with local regulations.

Intangible assets

Purchased goodwill is capitalised and amortised over its useful economic life, which is determined on a case-by-case basis, but does not exceed 5 years.

Expenditure incurred in the development or purchase of software and the purchase of licence agreements is capitalised and written off over the useful economic life of the asset and will not exceed 20 years.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and stated at cost or valuation less depreciation. The fair value of land and buildings is determined from a market-based appraisal undertaken by a professionally qualified valuer every three years and the latest valuation was undertaken in March 2022. Assets are reviewed annual for any impairment in value.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis, as shown below:

Leasehold Improvements	8 years
Freehold buildings	5-20 years
Plant and machinery	3-10 years
Fixtures and fittings	7 years
Motor vehicles	3-10 years

No depreciation is provided on freehold land.

Investment property

Property that is held for long-term rental or is being developed for future rental is classified as investment property. The fair value of land and buildings is determined from a market-based appraisal undertaken by a professionally qualified valuer every three years and the next valuation will be undertaken in 2025. Assets are reviewed annually for any impairment in value.

1 Accounting policies (cont.)

Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Within provisions is an amount for enhanced redundancy benefits where some employees over 50 years of age can translate part of their redundancy entitlement into an annual compensation payment. A provision is made for the future amounts payable over the estimated life expectancy of the ex-employees.

Cash

Cash balances are part of the Group's working capital and are kept on current account or short-term deposit.

Basic financial instruments

Debtors

Debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financial transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Creditors

Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Investments in subsidiaries, jointly controlled entities and associates

Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any exchange differences are dealt with through the Statement of Financial Activities.

The statement of financial activities, assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Gains and losses arising from the translation of opening balances and long term loans are taken to the Statement of Financial Activities.

Post – retirement benefits

Building Research Establishment Limited operated defined benefit pension schemes providing benefits based on final pensionable pay. The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC Scheme at 31 March 2009. The two schemes were merged together during 2016 forming the BRE and LPC Pension Scheme. The assets of the scheme are held separately from those of the Trust and the trading subsidiaries.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

1 Accounting policies (cont.)

Post – retirement benefits

The defined benefit obligations as at 31 March 2022 for this FRS102 valuation represent an update of the previous year's FRS102 liabilities with allowance made for benefits paid out to members for the year and price inflation over the year. All other experience is assumed to be in line with the assumptions at the start of the year. An adjustment has then been made to the value of the defined benefit obligations for changes in the assumptions as set out in note 19.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Building Research Establishment Limited also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust and its subsidiaries in an independently administered fund. The pension costs charged against net income are the contributions payable to the scheme in respect of the accounting period.

2 Income

	2022 £'000	2021 £'000
Advisory services on building performance, construction and fire safety	12,524	14,199
Provision of third-party assurance services	37,652	27,607
Services delivered to government	7,556	7,700
	57,732	49,506

Included in services delivered to government are amounts totalling £7,556k (2021: £7,700k) which are government grants for undertaking research projects for which there are no unfulfilled conditions.

3 Other trading income

	2022 £'000	2021 £'000
Other rental income	1,028	1,006
Other trading income	420	153
Government grant income	-	1,171
Tax credits	449	452
	1,897	2,782

Government grant income related to amounts received under the Coronavirus Job Retention Scheme, where staff were furloughed during the year. There were no conditions attached to this income.

4 Expenditure

Charitable activities

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Activities undertaken directly	763	14,338	13,189	5,231	33,521	34,547
Grant funding of activities	-	(146)	-	-	(146)	611
Support costs	398	7,406	6,883	2,730	17,417	14,546
	1,161	21,598	20,072	7,961	50,792	49,704

Analysis of support costs

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Legal and professional	131	2,430	2,259	896	5,716	4,296
IT	49	908	844	335	2,136	1,308
HR	24	446	414	164	1,048	798
Marketing	38	710	660	262	1,670	881
Facilities	68	1,261	1,172	465	2,966	2,302
Other	88	1,651	1,534	608	3,881	4,961
	398	7,406	6,883	2,730	17,417	14,546

Included within Support costs are the following governance costs

	2022 £'000	2021 £'000
Auditor's remuneration:		
Audit of Group and subsidiary financial statements	68	71
Amounts receivable by auditor and associates in respect of:		
Services relating to taxation	13	12
Additional fees relating to prior year audit	-	28
Other services	16	3

Expenditure on research and development recognised as an expense totalled £2,540k (2021: £2,814k).

5 Staff costs and numbers

	2022 £'000	2021 £'000
Group staff costs during the period amounted to:		
Wages and salaries	22,988	22,542
Social security costs	2,374	2,211
Other pension costs	3,645	3,577
Operating costs of the defined benefit pension scheme	654	449
	29,661	28,779

Included in other pension costs are contributions made by Building Research Establishment Ltd of £2,593k (2021: £2,531k) to the closed BRE and LPC defined benefit Pension Scheme.

During the year redundancy and termination payments totalling £301k (2021: £1,754k) were made in agreement with the employees, who were provided with independent legal advice, to compensate them for loss of employment arising from their employment with the Group ceasing.

The executive team consisting of 3 individuals were paid a total of £506k (2021: 3 individuals were paid £619k).

The average number of employees (including directors) during the year was as follows:

	2022	2021
Research staff	482	506
Support staff	66	52
	548	558

The number of regular employees whose pay and taxable benefits exceeded £60,000 fell within the following bands:

Salary band	2022	2021
£60,000 - £69,999	24	22
£70,000 - £79,999	18	8
£80,000 - £89,999	5	8
£90,000 - £99,999	1	4
£100,000 - £109,999	1	2
£110,000 - £119,999	3	4
£120,000-£129,999	1	-
£130,000 - £139,999	1	-
£140,000 - £149,999	1	1
£160,000 - £169,999	-	1
£170,000 - £179,999	-	1
£200,000 - £210,000	2	-

5 Staff costs and numbers (cont.)

The total employer contributions in the year for provision of money purchase pension benefits for higher paid employees were £208k (2021: £190k). The number of higher paid employees (i.e. greater than £60k) to whom pension benefits are accruing under money purchase schemes was 51 (2021: 44).

6 Trustees' remuneration and expenses

No Trustee earned any remuneration in either 2022 or 2021. Out of pocket expenses incurred by 1 (2021: 1) Trustee in the furtherance of their duties are reimbursed at cost and totalled £142 (2021: £70). The whole of this amount related to travel and out of pocket expenses.

7 Other finance costs

	2022 £'000	2021 £'000
Expected return on pension scheme assets	1,906	2,276
Interest on pension scheme liabilities	(2,756)	(3,096)
Past service cost (incl. curtailments)	(58)	(94)
	(908)	(914)

8 Taxation

BRE Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The tax charge for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below.

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profit for the year	663	362
Adjustment in respect of previous year	54	21
	717	383

8 Taxation (cont.)

	2022	2021
	£'000	£'000
Tax reconciliation		
Profit on ordinary activities before tax	8,847	2,588
Tax using the UK corporation tax rate of 19% (2021: 19%)	1,681	492
Effects of:		
Expenses not deductible for tax purposes	125	147
R&D expenditure credits	(85)	(86)
Consolidation adjustments	(309)	301
Adjustment in respect of prior periods	54	-
Deferred tax not recognised	(749)	(471)
Total tax charge	717	383

The Finance Act 2021 received Royal Assent on 10 June 2021 and the corporation tax rate will increase from 19% to 25% from 1 April 2023 for companies with taxable profits in excess of £250,000. For those businesses that have taxable profits between £50,000 and £250,000 a marginal rate relief scheme will be introduced to bridge the gap between the 19% rate and 25% rate providing a gradual increase in rate throughout this band.

9 Intangible fixed assets

Group	Software	Assets under construction	Other Intangibles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2021	5,907	-	497	6,404
Additions	51	490	-	541
At 31 March 2022	5,958	490	497	6,945
Amortisation				
At 1 April 2021	4,639	-	497	5,136
Charge for the year	879	-	-	879
At 31 March 2022	5,518	-	497	6,015
Net book value				
At 31 March 2022	440	490	-	930
At 31 March 2021	1,268	-	-	1,268

10 Tangible fixed assets

Group	Freehold Land and Buildings	Assets under construction	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2021	27,391	-	10,618	1,213	54	39,276
Additions	358	2,539	522	159	39	3,617
Disposals	-	-	-	-	(26)	(26)
Reclassification to investment properties	(6,833)	-	-	-	-	(6,833)
Revaluation	4,698	-	-	-	-	4,698
At 31 March 2022	25,614	2,539	11,140	1,372	67	40,732
	£'000	£'000	£'000	£'000	£'000	£'000
Depreciation						
At 1 April 2021	8,652	-	8,505	855	54	18,066
Charge for year	604	-	847	109	5	1,565
On Disposals	-	-	-	-	(26)	(26)
Reclassification to investment properties	(433)	-	-	-	-	(433)
At 31 March 2022	8,823	-	9,352	964	33	19,172
Net Book Value						
At 31 March 2022	16,791	2,539	1,788	408	34	21,560
At 31 March 2021	18,739	-	2,113	358	-	21,210

Freehold land is not depreciated. As at 31 March 2022, freehold land and buildings is held at the revalued amount of £16.8 million. The comparable cost and net book value at that date determined under the historical cost accounting rules would have been £11.2 million and £7.0 million respectively. A full valuation was performed on 23 March 2022 by Christian Glazier (MRICS) of BNP Paribas Real Estate. The valuation was prepared in accordance with Professional Standard 2 of the RICS Valuation – Global Standards 2021 effective 31 January 2022, the International Valuation Standards and the UK National Supplement 2018, effective 14 January 2019. The value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

All tangible fixed assets are used in the commercial trading organisations. The land and buildings let to third parties has been transferred to investment properties.

No tangible fixed assets are owned by the Trust.

11 Fixed asset investments

	Group Investment Properties £'000	Charity Interest in subsidiary undertakings £'000
At 1 April 2021	-	5,000
Reclassification from freehold land and buildings	6,400	-
At 31 March 2022	6,400	5,000

As at 31 March 2022, group investment properties were held at the revalued amount of £6.4 million. The revaluation was performed by Christian Glazier (MRICS) of BNP Paribas Real Estate using the same assumptions as were used for land and buildings in note 10.

11 Fixed asset investments (cont.)

The trading results of the operating subsidiaries of the Group are:

	Building Research Establishment Limited	BRE Global Limited	Constructing Excellence Limited	Ceequal Limited	BRE China	BRE Ireland
	2022	2022	2022	2022	2022	2022
Summary profit and loss account	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	19,490	36,771	270	122	511	328
Operating costs	(33,273)	(34,231)	(131)	(159)	(650)	(337)
Other operating income	18,853	19	-	-	-	87
Operating profit/(loss)	5,070	2,559	139	(37)	(139)	78
Other finance costs	(908)	-	-	-	-	-
Actuarial gain/(loss) on defined benefit pension	8,495	-	-	-	-	-
Revaluation of land	4,698	-	-	-	-	-
Net result	17,355	2,559	139	(37)	(139)	78
Taxation	(623)	(4)	-	-	-	-
Retained in the subsidiary	16,732	2,555	139	(37)	(139)	78
Assets and liabilities of the subsidiary						
Fixed assets	29,240	632	-	-	-	-
Current assets	20,857	26,699	313	1,022	658	391
Creditors falling due within one year	(31,102)	(6,895)	(43)	(106)	(1,354)	(526)
Net assets/(liabilities)	18,995	20,436	270	916	(696)	(135)
Provision for liabilities	(2,203)	-	-	-	-	-
Pension scheme liabilities	(31,587)	-	-	-	-	-
Deferred capital grant	(1,710)	-	-	-	-	-
Total funds	(16,505)	20,436	270	916	(696)	(135)

12 Subsidiary and associate undertakings

The undertakings in which the Group's interest at 31 March 2022 was more than 20% were as follows:

	Interest in ordinary share capital	Activity
Trading Companies:		
BRE Group Limited (02704081)	100%	Management of subsidiary company operations
Building Research Establishment Limited (03319324) [α]	100%	Advisory services and information on building performance, construction and fire safety
BRE Global Limited (08961297)[α]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Building Research Establishment Shenzhen Limited (91440300358776938Y)*	100%	Sustainability and training
Ceequal Limited (04568928)[+]	100%	Methodologies for sustainable infrastructure projects
Constructing Excellence Limited (04641522)*[>]	N/A	Co-ordination of member led performance improvement network
BRE Global Assurance (Ireland) Limited (602123)[α]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Non-Trading Companies:		
BRE Certification (03548352)[+#]	100%	
BRE International Limited (01915620)* [#]	100%	
BRE Canada Inc (2279888)* [#]	100%	
EFSG Limited (02971676) * [#>]	N/A	
The Loss Prevention Certification Board Limited (01907862)* [#]	100%	
Building Performance Group Limited (01573939)* [#]	100%	
BRE America Holdings Inc (5984258)*[#]	100%	Holding company

* Held through Building Research Establishment Limited
[α] Held through BRE Group Limited
[+] Held through BRE Global Limited
[#] Dormant company
[>] Company limited by guarantee

All of the subsidiaries and associates are registered in England and Wales with the exception of BRE America Holdings Inc, which is registered in the United States, BRE Canada Inc which is registered in Canada, Building Research Establishment Shenzhen Limited which is registered in China, BRE Global Assurance (Ireland) Limited which is registered in Ireland.

13 Debtors

	2022 £'000 Group	2022 £'000 Charity	2021 £'000 Group	2021 £'000 Charity
Trade debtors	9,308	-	6,965	-
Amounts recoverable on contracts	3,254	-	1,442	-
Other debtors	5,416	1	3,100	3
Social security and other taxes	755	-	862	-
Prepayments	708	-	1,127	-
	19,441	1	13,496	3

14 Creditors: amounts falling due within one year

	2022 £'000 Group	2022 £'000 Charity	2021 £'000 Group	2021 £'000 Charity
Deferred income	7,812	-	7,193	-
Trade creditors	4,760	12	3,330	17
Amounts due to group undertakings	-	489	-	125
Social security and other taxes	1,611	-	1,741	-
Corporation tax	573	-	362	-
Other creditors	766	-	728	2
Accruals	3,164	41	2,835	457
	18,686	542	16,189	601

Deferred income movement:

	Group £'000	Charity £'000
Balance at 1 April 2021	7,193	-
Amount released in the year	(6,199)	-
Amount deferred in the year	6,818	-
Balance at 31 March 2022	7,812	-

Deferred income arises where services have been invoiced but the performance conditions in relation to part of the amount invoiced have not yet been met. Included in the amount for deferred income is an advance on grant funding and advancements provided by Innovate UK amounting to £1,006k (2021: £2,037k) which is repayable upon demand.

15 Provision for liabilities

Future amounts payable relating to:	Former Directors' Future liabilities £'000	Restructuring £'000	Post retirement future liabilities £'000	Total £'000
Group:				
At 1 April 2021	113	16	1,750	1,879
Utilised in the year	(11)	(16)	(121)	(148)
Charge to the Statement of Financial Activities	101	-	371	472
At 31 March 2022	203	-	2,000	2,203

The post retirement future liabilities is a provision made to reflect a liability to make future payments to some ex-employees who were made redundant when over the age of 50 and have translated part of their entitlement into an annual compensation payment payable for life.

Former directors' future liabilities is a provision made in respect of two previous directors of the Group who were provided with post-retirement benefits to match benefits received by other executives in the company who were on an enhanced executive category pension arrangement.

The timing of the cash outlays in respect of these provisions is uncertain but should not exceed £139k in the next financial year.

16 Reserves

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserves Restricted £'000	Capital Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2021	15,451	(41,767)	10,257	(16,059)	9	1,070	222	1,301
Net income for the year	4,254	1,685	-	5,939	-	2,013	178	2,191
Gain on revaluation of tangible fixed assets	-	-	4,698	4,698	-	-	-	-
Actuarial gain recognised in defined benefit pension	-	8,495	-	8,495	-	-	-	-
At 31 March 2022	19,705	(31,587)	14,955	3,073	9	3,083	400	3,492

16 Reserves (cont.)

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserve Restricted £'000	Capital Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2020	14,860	(32,814)	10,257	(7,697)	9	1,040	255	1,304
Net income for the year	868	1,617	-	2,485	-	(247)	(33)	(280)
Actuarial (loss) recognised in defined benefit pension	-	(10,570)	-	(10,570)	-	-	-	-
Transfer between funds	(277)	-	-	(277)	-	277	-	277
At 31 March 2021	15,451	(41,767)	10,257	(16,059)	9	1,070	222	1,301

The general fund is the amount of unrestricted funds after allowing for total fixed assets, any commitments not recognised in the accounts and all designated funds. The revaluation reserve is the value of unrestricted funds represented by the freehold land and buildings owned and used by the Group and its subsidiaries on an ongoing basis.

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
At 1 April 2021	4,995	138	5,133
Net funds for the year	151	-	151
At 31 March 2022	5,146	138	5,284

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
At 1 April 2020	5,606	138	5,744
Net deficit for the year	(611)	-	(611)
At 31 March 2021	4,995	138	5,133

16 Reserves (cont.)

The net funds for the year of the Charity dealt with in the financial statements was £151k (2021: £611k deficit).

Restricted funds are used to promote sustainable approaches to relief, recovery and reconstruction after a natural disaster. Other restricted reserves relate to the PIA (payment in advance) on grant projects. Capital restricted reserves relate to fixed assets purchased restricted by grants under CIH and LEP. Income restricted reserves relate to the accumulated Statement of Financial Activities funds held by the individual Trust entity

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Restricted Reserve	Capital Restricted Reserve	Income Restricted Reserves	Total
	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000	2022 £'000
Intangible	930	-	-	-	-	-	930
Tangible	3,513	-	14,955	9	3,083	-	21,560
Investments	6,400						6,400
Net current assets	11,065	-	-	-	-	400	11,465
Provisions	(2,203)	-	-	-	-	-	(2,203)
Pension scheme liability	-	(31,587)	-	-	-	-	(31,587)
	19,705	(31,587)	14,955	9	3,083	400	6,565

2021 Comparative

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Restricted Reserve	Capital Restricted Reserve	Income Restricted Reserves	Total
	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000
Intangible	1,268	-	-	-	-	-	1,268
Tangible	9,874	-	10,257	9	1,070	-	21,210
Net current assets	6,188	-	-	-	-	222	6,410
Provisions	(1,879)	-	-	-	-	-	(1,879)
Pension scheme liability	-	(41,767)	-	-	-	-	(41,767)
	15,451	(41,767)	10,257	9	1,070	222	(14,758)

17 Cash flows from operating activities

	2022 £'000	2021 £'000
Net income before tax	8,847	2,588
Adjustments for:		
Interest receivable	(10)	(4)
Depreciation, amortisation and impairment	2,444	2,495
Loss on disposal of fixed assets	-	25
Taxation	(717)	(383)
Pension and other finance costs	908	914
Pension deficit funding contributions	(2,593)	(2,531)
Movement in working capital:		
(Increase) / decrease in debtors	(5,945)	1,430
Increase in creditors	2,497	1,452
Increase in provisions	324	352
Taxation received/(paid)	-	(6)
Net cash from operating activities	5,755	6,332

18 Analysis of change in net funds

	At 1 April 2021 £'000	Cash flow £'000	At 31 March 2022 £'000
Cash at bank	9,103	1,607	10,710
Cash and cash equivalents	9,103	1,607	10,710

19 Pensions

The Group established a defined contribution stakeholder scheme for employees who commenced employment after 1 January 2002. The Group contributes up to 5% of salary so long as the members do the same. However, members can contribute a higher amount if they wish to do so. Contributions to the stakeholder scheme amounting to £180k (2021: £182k) were payable at 31 March 2022 and are included in creditors. The assets of the stakeholder scheme are invested with Scottish Widows.

The Group formerly operated two funded defined benefit pension schemes, one for the employees who transferred from LPC (the LPC Scheme) and one for other employees of the Trust and its subsidiaries who commenced employment before 31 December 2001 (the BRE Scheme). The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC scheme at 31 March 2009. The two schemes were merged together during the year ended 31 March 2016 forming the BRE and LPC Pension Scheme. Members of the BRE and LPC Pension Scheme have also been offered membership of the Groups defined contribution stakeholder scheme on the same terms as other members.

19 Pensions (cont.)

The pension cost for the year represents contributions payable by the Group to the BRE and LPC Pension Scheme and amounted to £2,593k (2021: £2,531k). All the pension costs relate to unrestricted funds and have been allocated between activities based on the level of income for the year. The assets of the defined benefit schemes are managed by Aon Fund Managers held separately from those of the Group, being invested with Ruffer, Schroders, BGO, AIL and the DRC Fund.

Management charges of £518k (2021: £449k) were incurred in respect of the BRE and LPC Pension Scheme. Contributions to this scheme amounting to £221k (2021: £213k) were payable at 31 March 2022 and are included in creditors. Monthly contributions to the schemes are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Under a 'recovery plan' agreed with the pension trustees (and submitted to the Regulator) the deficit on the BRE and LPC Pension Scheme is partially secured by a direct charge over the Garston site in favour of the pension fund.

The major assumptions used by the actuary were:

	Combined Scheme 2022 %pa	Combined Scheme 2021 %pa	Combined Scheme 2020 %pa
Rate of increase in salaries	2.80	2.40	1.90
Discount rate for calculation of benefits	2.80	2.10	2.60
Inflation (RPI)	3.50	3.10	2.50
Inflation (CPI)	2.80	2.40	1.90

In valuing the liabilities of the pension fund at 31 March 2022, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting an individual, on retirement, to live for a number of years as follows:

The BRE and LPC Pension Scheme

- Current pensioner aged 65: 21.9 years (male) and 24.3 (female)
- Future retiree (aged 45) upon reaching 65: 23.2 years (male) and 25.7 (female)

The assumptions used by the actuary are the Group's best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The asset valuations of the scheme at 31 March 2022 amounted to £93,423k (2021: £91,692k) for the BRE and LPC Pension Scheme. These amounts were sufficient to cover 75% (2021: 69%) of the benefits that had accrued to members.

19 Pensions (cont.)

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long years and thus inherently uncertain, were:

	2022 £'000	2021 £'000
Present value of funded defined benefit obligations	(125,010)	(133,459)
Fair value of assets	93,423	91,692
Net deficit	(31,587)	(41,767)

Movements in present value of defined benefit obligation	2022 £'000	2021 £'000
At 1 April	133,459	121,187
Interest on obligation	2,756	3,096
Actuarial (gain) / loss	(6,803)	13,316
Benefits paid	(4,460)	(4,234)
Past service cost (incl. curtailments)	58	94
At 31 March	125,010	133,459

Movements in fair value of assets	2022 £'000	2021 £'000
At 1 April	91,692	88,373
Expected return on assets	1,906	2,276
Actuarial gain	1,692	2,746
Contributions by employer	2,593	2,531
Benefits paid	(4,460)	(4,234)
At 31 March	93,423	91,692

Amounts recognised in the Consolidated Statement of Financial Activities

	2022 £'000	2021 £'000
Interest on defined benefit obligations	(2,756)	(3,096)
Expected return on assets	1,906	2,276
Past service cost (incl. curtailments)	(58)	(94)
Resources expended (included in other finance costs)	(908)	(914)

19 Pensions (cont.)

	2022 £'000	2021 £'000
Actual return less expected return on assets	1,692	2,746
Experience gain on liabilities	732	4,014
Change in assumptions underlying the present value of the liabilities	6,071	(17,330)
Actuarial gain / (loss)	8,495	(10,570)

Assets

Actual return on the scheme assets during the year:

	2022 £'000	2021 £'000
Return on assets excluding interest	1,692	2,746
Interest income on assets	1,906	2,276
Actual return on scheme assts	3,598	5,022

In relation to the FRS102 disclosure no deferred tax has been provided on the net deficit of the scheme as no tax liabilities or benefits are expected to arise for the foreseeable future.

The Group expects to contribute approximately £2,780k to the defined benefit scheme in the next financial year.

20 Leases

At 31 March 2022 the Group had future minimum lease payments under non-cancellable operating lease arrangements as follows:

During the year £286k was recognised as an expense in the Statement of Financial Activities in respect of operating leases (2021: £371k)

Plant and machinery expiring:	2022 £'000	2021 £'000
Not later than one year	26	72
Later than one year and not later than five years	4	54
	30	126

20 Leases (continued)

Land and Buildings expiring:	2022 £'000	2021 £'000
Not later than one year	209	220
Later than one year but not later than five years	691	555
Later than five years	325	335
	1,225	1,110

At 31 March 2022 the Group had expected future minimum lease receipts under non-cancellable operating leases as follows:

Future anticipated Lessor income	2022 £'000	2021 £'000
Not later than one year	592	774
Later than one year and not later than five years	511	1,004
Later than five years	170	198
	1,273	1,976

21 Related party transactions

Trustees and directors
Due to the nature of the Trust's operations and the composition of the Trustees (holding other executive and non-executive roles) from time to time transactions will take place with organisations in which a member of the Trustees may have an interest. All transactions involving organisations in which a member of the Trustees may have an interest are conducted at arm's length and in accordance with the Trust's financial regulations and normal sales or procurement procedures. Trustees are required to complete a declaration of interest each year.

During the year, the Group made use of the services of J N Solutions Limited of which Andrew Herbert is a director and shareholder, to the value of £206,000 (2021: £203,000). The amount outstanding at 31 March 2022 due to J N Solutions Limited was £19,000 (2021: £26,000).

During the year, the Group provided services to Hyde Housing Association to the value of £13,974 (2021: £nil). Piers White was a director of Hyde Housing Association. The unpaid balance outstanding at 31 March 2022 was £nil (2021: £nil).

Group companies

- Building Research Limited paid £nil interest on its intercompany loans with the Trust (2021: paid £1,094).
- The Trust paid £10,000 to Building Research Establishment Limited for work performed on research projects being undertaken by the Trust (2021: £17,779).
- The Trust paid £9,800 to BRE Global Limited for work performed on research projects being undertaken by the Trust (2021: £31,347).

At 31 March 2022, there were intercompany payables from the Trust amounting to £489k (2021: payables from the Trust: £125k) outstanding between the Trust and its subsidiaries.

BRE TRUST

England & Wales - Charity number 1092193

Accounts

BRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2021

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

BRE TRUST

FINANCIAL STATEMENTS
For the year ended - 31 March 2021

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Registered office:	Bucknalls Lane Garston Watford Hertfordshire WD25 9XX
Bankers:	Barclays Bank PLC 1 Churchill Place London E14 5HP
Solicitors:	Bates Wells 10 Queen Street London EC4R 1BE
Independent Auditors:	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR

BRE Trustees report

The Council of Trustees has pleasure in presenting its report together with the Audited Financial Statements for the year ended 31 March 2021.

Objects and activities

As a charity all the Trust's activities must at all times conform with the statement of 'objects' given in the governing documents, the Articles of Association.

The Trust's objects are for the public benefit:

- to undertake, commission and support research in areas of science, engineering, information technology, management and economics associated with the built environment, including its processes and artefacts;
- to advance knowledge, innovation, and communication, and to promote education and excellence, in all such matters, and to collect, collate and publish useful information, ideas, and data relating thereto; and
- to undertake, commission, facilitate and support such other activities and services as are beneficial to the built environment and charitable in law in accordance with law of England and Wales provided that it will not include any purpose which is not charitable in accordance with s.7 of the Charities and Trustee Investment (Scotland) Act 2005.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission when reviewing on an annual basis the Trust's aims and objectives and in ensuring that activities are defined in the Strategy document for 2017-21 and its approved annual business plan.

The Charity continues to create and share new data and information which advance the knowledge and skills of professionals in the built environment. In the last year the partners network from public, private and academic organisations has extended to 35, aligning individual resources and activities to form collaborative delivery clusters, which have more effort and more impact. This has also extended outreach through wider engagement, particularly with the teaching organisations and charities who are already demonstrating successful societal value. This has increased both pace and scale of application of the new knowledge created through the Trust programmes. The audience for the collective communications of these partners is over 250,000 and nearly 50,000 individuals have engaged directly with the activities that the Trust has commissioned or supported with its partners. More details of the progress against specific KPIs is included in the Achievements and Performance section of this report and can also be found in the quarterly progress reports published on the charity website www.bretrust.org.uk.

Structure, governance and management

BRE Trust (the "Trust") is a company limited by guarantee (Company number 03282856) and is registered as a charity in England and Wales (No 1092193) and in Scotland (No SCO39320). The Trust was established to provide independent, non-sectorial ownership of the Building Research Establishment, an Executive Agency of the Department of the Environment, when it was transferred to the private sector in March 1997. The Trust is governed by its most recent Articles of Association which were approved by a meeting of members on 6th March 2019. In addition, the Trust provides independent ownership of BRE Group Limited ('BRE Group') which in turn is the owner of businesses resulting from the privatisation of the Building Research Establishment. The Trust protects the independence of BRE Group to ensure that its advice and research remain objective and free from bias. BRE Group continues to have a strong reputation, both nationally and in the international arena, as an impartial and respected consultancy, science and research organisation.

BRE Group Limited is the holding company for Building Research Establishment Limited, BRE Global Limited which are established in England and Wales and BRE Global Assurance (Ireland) Limited, a company established and resident in the Republic of Ireland. These subsidiaries in turn are owners of other trading companies in the UK and the People's Republic of China.

This ownership structure means that:

- BRE Trust has the flexibility, freedom and separation from its investments to promote and carry out its charitable objectives for the public good; and
- BRE Group and its subsidiary companies can maintain independence from each other to meet regulatory requirements.

Trustees and Officers of the Charity

The governing body of the Trust is its Council of Trustees which comprises at least five and no more than ten Trustees at any one point in time. The Directors of the company are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the "Trustees".

The term of office for a Trustee is three years and Trustees may serve for three terms. New Trustees are familiarised with the workings of the Trust, its policies, procedures and governance through an induction programme consisting of visits to the head office, meetings with key personnel and officers of BRE Group together with more formal training including ongoing training and support.

Sir James Wates stepped down as Chair on 24 March 2021 and Philip Wilbraham was appointed as the new chair of the Trust on the same day. The selection process was managed by the BRE Trust Nominations Committee and the appointment of Philip Wilbraham was confirmed at the meeting of the Trustees on the 24 March 2021.

The Trustees and Officers serving during the year and up to the time of signing these accounts were as follows:

Trustees	Appointed	Resigned
Philip Wilbraham. Chairman	7 June 2018 appointed as Chair 24 March 2021	
Sir James Wates CBE	6 May 2010	2 June 2021
June Barnes	7 September 2016	29 July 2020
Sarah Beale	18 January 2019	
Francesca Berriman MBE	1 August 2015	2 June 2021
Paul Hetherington	3 June 2019	
Ashley Hook	18 March 2020	
Prof. Vicky Pope	3 June 2019	
Jonathan Rickard	3 June 2019	

Company Secretary

Richard Tanner	(resigned 31 May 2020)
Waterstone Company Secretaries Ltd	(appointed 1 July 2020)

Board Tenure, Gender Diversity and Meetings

As at 31 March 2021 the tenure and diversity of the Trust board was as follows:

Tenure		Gender Diversity	
< 1 Year	0%	Female	37.5%
1-3 Years	75%	Male	62.5%
3-6 Years	12.5%		
6-9 Years	0%		
9-12 Years	12.5%		

The Board met 4 times in 2020-2021, 29 July 2020, 7 Oct 2020, 9 December 2020, 24 March 2021.

Executive Staff

The Trustees have delegated certain operational management of the Trust's affairs to an executive team led by Dr Deborah Pullen MBE the Executive Officer of the BRE Trust. Together with a support team the Executive Officer oversees the day-to-day management of the Trust and has responsibility for meeting aspects of the operations of the Trust and for the delivery of its programmes. Waterstone Company Secretaries Ltd provide legal and governance support to the Trustees and Executive Officer Deborah Pullen (who resigned with effect from 31 March 2021). BRE Group continues to provide support to the Trust to assist in the day to day management of the activities with support provided by an Executive Director and other senior staff members.

Governance Framework

The Trust has adopted the Charity Governance Code for Larger Charities as the basis for its governance. The Code sets the principles and recommended good governance for charities. The Trust measures itself against the seven principles and the recommendations and guidance they provide to ensure the continuous improvement and highest standards of governance.

The Trust conducts an annual governance review against the Charity Governance Code for Larger Charities with the intention of continuously improving its performance against the code. Following this year's annual review on 6 May 2020 a detailed review of current policies and processes was carried out and further follow up actions delegated to the Audit and Risk Committee to oversee. This included a review of the code of Conduct, Gifts and Hospitality, Expenses, Conflicts of Interest, Anti-bribery and Corruption and Speaking-up policies. The committee also looked at Anti-slavery and Human Trafficking Statement and Financial Controls procedures.

The performance reviews of the Trustees were held between the Chair and individual trustees in October 2020.

The Board of Directors of BRE Group is made up as follows:

Director	Position	Appointed	Resigned
Piers White	NED (Chair)	1 November 2019; appointed as Chair 26 November 2019	
Gillian Charlesworth	CEO	21 May 2019	
Andrew Herbert	CFO	9 August 2019	
Darran Messem	NED	8 July 2019	
Ashley Wheaton	NED	11 July 2016	
Malathy Sivapunniyan	NED	5 October 2020	
Brigid Sutcliff	NED	11 July 2016	9 January 2021

Director appointments to the BRE Group Board are made by both the Trustees and BRE Group, the majority of the Directors at any one time being those appointed by the Trust.

Standing Committees

The BRE Trust Council delegates some of its work to committees and the committees report to the Council their discussion, actions and recommendations. There are four committees at the time of signing of this report:

- Audit and Risk Committee
- Programmes Committee
- Strategic Funding Committee
- Nominations Committee

BRE Trust Audit & Risk Committee:
The Trust's Audit and Risk Committee, terms of reference of which were revised in July 2020, supports the Trust Board's responsibility for oversight of risk management, the control environment, policy review and the integrity of financial statements and reporting. It seeks assurance from the BRE Group Board on the sound management of its investments. The committee membership consisted of Sarah Beale (Chair) and Jonathan Rickard and includes at request attendance from members of the Group Board.

The Committee commissioned the following specific activities in the last year:

- Annual Audit oversight and review of accounts and annual report 2019/20
- Oversight of Review of Code of Governance and subsequent actions
- Review and update policies
- Review and update Strategic Risk Register– updated register produced

The Committee met 4 times: 15 July 2020, 3 September 2020, 25 November 2020, 17 March 2021.

BRE Trust Programmes Committee:
Francesca Berriman MBE (Chair) (resigned 2 June 2021) Paul Hetherington (Joined November 2020) (Chair from 2 June 2021), Ashley Hook (Joined November 2020)

The Committee approves the funding for research and education projects, provides direction and governance for future activities of commissioned work and ensures its dissemination is effective and wide reaching. The key activities are the review of progress with the programmes, review of the operations processes, review of the relevant risks and communications and promotions of the programme.

The Committee met: 15 May 2020, 18 November 2020, 3 March 2021.

BRE Trust Strategic Funding Committee:
Vicky Pope (Chair), Paul Hetherington, Sir James Wates (resigned 2 June 2021).

The Committee met:3rd April 2020, 18 June 2020.

This Committee was set up in 2019 to provide specific focus on the need for the BRE Trust to attract additional funds to support its operations and programmes. In the last year the following activities have been carried out:

- define BRE Trust strategy for future financial stability
- develop future purpose priorities
- input to joint Group and Trust Strategy work

BRE Trust Nominations Committee:
Sir James Wates (Chair) (resigned 2 June 2021), Francesca Berriman (resigned 2 June 2021), Ashley Hook, Philip Wilbraham (appointed 24 March 2021)

The Committee met: 5 October 2020, 29 January 2021
Previously this committee had met when required to manage the appointments of new trustees, with members co-opted onto the committee by the Council Chair from the existing trustee pool. In the last year a more formal update of the terms of reference of the Committee was completed and the following activities also completed in preparation for the appointment of a new Chair of Trustees.

- Review of roles and responsibilities – Trustees & Chair of Trustees
- Selection of new Chair of Trustees, completed

BRE Group Committees

Remuneration and Nominations Committee
The BRE Group Remuneration and Nominations Committee is responsible for determining the remuneration and conditions of the executive directors of the Group. In determining appropriate levels of remuneration for the executive directors, the Remuneration Committee aims to provide packages that are competitive in the marketplace and will attract and retain high quality executives capable of achieving the BRE Group's objectives and ultimately those of the Trust. Executive pay is externally benchmarked using Korn Ferry Hay PayNet data. Our remuneration approach is to aim to pay market salaries whilst considering the total cash compensation for executive roles which balance affordability with attracting and retaining the right talent that we need.

Membership consisted of BRE Group Directors; Darran Messem (Chair), Ashley Wheaton (appointed July 2020) and Piers White. The Committee met three times and meetings were observed by Trustee June Barnes (resigned July 2020), Philip Wilbraham and Ashley Hook (appointed July 2020), representing BRE Trust.

Risk and Audit Committee
The Risk and Audit Committee is responsible for oversight of both the external audit work as well as looking at the internal financial controls, internal controls and risk management system across the Group. The committee was renamed BRE Group Risk and Audit committee in July 2020 to reflect the importance the Board places on risk management. Brigid Sutcliffe (Chair) resigned during the year. Malathy Sivapunniyan was appointed to the committee in October 2020 and was appointed Chair in January 2021. The other committee member is Darran Messem. The committee met 4 times during the year.

Introduction

As a leading independent built environment charity for research, demonstration and education, the BRE Trust is dedicated to improving the built environment for the benefit of society. BRE Group supports the work of BRE Trust by bringing the benefits of applied research – in the form of digital products, standards, testing and certification, training and qualifications – to key sectors in the built environment.

BRE Group provides services across a wide range of sectors within the built environment. The work spans safety, security and sustainability, and includes benchmarking schemes around sustainability; testing, certification and verification of construction products and systems; physical security testing and accreditation; health, safety and waste monitoring; advisory services and training. The Group strategy is to enable these sectors to build a better world by providing them with support and solutions for issues of critical long-term importance, including:

- Life safety and the protection of physical and digital assets
- Knowledge and skills
- Smart homes and buildings
- High performance buildings and infrastructure
- Construction process and productivity
- Health and wellbeing
- Adaptation and resilience to climate change

Objectives

BRE's objective is to be a world leading innovation, science and data hub for the built environment. To achieve this, we will build on the global reach of our benchmarking and certification schemes and training offerings drive greater value from data and analytics flowing from digital platforms in an increasingly smart built environment.

Achievements and performance

2020 was a year unlike any other. The BRE Trust and Group, like the rest of the world, had to adapt our operations and support colleagues to work differently to respond to the Covid-19 pandemic and subsequent lockdowns. It also had an impact on many of our clients and partners, as well as the construction sector more broadly. During the first half of the year the number of construction projects commencing decreased year on year in the UK by 46%. The introduction of site operating procedures agreed across industry bodies helped to facilitate the reopening of sites, although this still created delays in activity. Our safety-critical and laboratory-based services were able to continue from our main site at Garston, as well as safe access for our tenants, by requesting that only those colleagues who could not work from home attended the site. The majority of BRE colleagues adapted rapidly to remote working, with our information technology systems supporting this shift, enabling business continuity in an unprecedented set of circumstances.

Despite operating in a time of global uncertainty, we are optimistic about the opportunities ahead of us. The major challenges the built environment faces potentially offer opportunities for BRE's science-based solutions. We are well-placed to provide the solutions that markets, governments and wider society seeks for decarbonisation, assurance on building safety and security and enhanced building performance and innovation.

Our role centres on 'building science and solutions' – research and scientific expertise applied through a range of products and services, relevant to the needs of our stakeholders. As a responsible business we champion standards and best practice, based on scientific evidence, and that is the basis of our commercial offering.

Decarbonisation and the wider responsible business agenda - Environmental, Social and Governance (ESG) - are increasingly central to all sectors within which we operate. Building safety is and will continue to be an issue of increasing public concern post the tragic Grenfell Tower fire. Regulatory and policy change will need to adapt, and assurance mechanisms will be expected to keep pace with innovation in the construction market, as it comes to terms with building more, better quality and safer homes, non-domestic buildings and infrastructure.

At the start of the year we projected that the pandemic would lead to a fall in income of between 20% and 30%. Through a focus on managing the work that we do and the hard work of our colleagues our income this year was £52,292k (2020 (restated): £53,936k) a fall of just 3.0%. We have also managed our costs carefully during the pandemic, reducing staffing levels, managing staff costs, which included some staff taking voluntary salary reductions, making use of the Coronavirus Job Retention Scheme, more commonly called the furlough scheme, reducing site and travel costs so that expenditure fell to £49,704k (2020: £50,547k). These measures have resulted in net income in the year of £2,205k (2020 (restated): £3,383k).

BRE Trust Achievements and performance

The BRE Trust uses its reserves and any income received both through gift aid donated by BRE Group and from other external resources to fund new research and education programmes.

The BRE Trust programme is based on three key themes of wellbeing, sustainability and resilience. The focus in 2020-21 has been in increasing the dissemination of outputs from funded research, forming new partnerships and connections to use the information to increase social value and impact. In the last year new partnerships have been formed with the Social Values Portal, UN-Habitat and GFOX, bringing our total number of partners to 35, all extending our outreach of information and potential to increase social value.

In the last year 9 research projects and 4 PhD studentships have been completed covering a range of topics including energy resilience, novel and sustainable materials, improved fire detection systems and health and housing. This also included 13 funded publications and events, and over 50 other associated publications, articles and presentations disseminating the outputs of funded research to a wide academic and industry audience by the Trust's delivery partners.

BRE Trust Funded Publications/Outputs:

- 100 Years of Council Housing
- Conventions for U-value calculations (BR443 2019)
- BRE Biophilic Office – Phase 1 results
- The Cost of Poor Housing in Ireland
- The Performance of Multi Sensors in Fire and False Alarm Tests
- BRE Dementia Home Virtual Visit Video
- An Interpretation of the SDG's for use at an Infrastructure Project Level
- Developing an LCA calculator for the humanitarian shelter sector
- The Cost of Poor Camp Design on Refugee Health
- Health and Housing – Learning from COVID-19
- BRE Trust Impacts Mapped Against the UNSDGs
- Diversity in Leadership 27th October 2020
- Independent Living 8th December 2020, in partnership with the UK DIT in Helsinki

BRE Trust largely achieves its objectives by commissioning work with other delivery organisations and thus the need to be able to track and quantify this work is important. An initial report was completed in February 2021 to map the impacts that the programme has created against the UN Sustainable Development Goals, an external framework which many organisations, particularly in the charities sector, are now using to assess their activities. A summary of this review can be found at www.bretrust.org.uk.

BRE Trust did not undertake any fundraising activity requiring disclosure under S162A of the charities Act 2011.

BRE Group achievements in the year and future opportunities:

BRE Group's flagship scheme BREEAM, the world's leading sustainable building benchmarking service, celebrated its thirtieth anniversary in 2020 and achieved revenue of £11.5m in the year. BREEAM is a key focus for BRE Group given the increasing interest in the performance monitoring of buildings, particularly from investors looking for robust ways to strengthen the value of their portfolios. BREEAM in use (Version 6), a performance-based service, was launched in May 2020 and so far over 6,000 assets have been certified in more than 30 countries.

BREEAM sits within our Building Performance Services division which includes associated services related to construction and built environment performance benchmarking schemes including CEEQUAL (infrastructure), Home Quality Mark (Homes), Strategic Advisory (consultancy), the Housing and Energy teams (e.g. SAP, SBEM, English Housing survey) and SmartSite (health, safety and waste monitoring software). Despite the challenges faced as a result of the Covid-19 pandemic, the net contribution of this division remained strong during the year.

The BRE Academy provides a range of training courses covering areas related to fire safety, BREEAM, CEEQUAL, resilience and Building Information Modelling (BIM). In spite of the need to rapidly enable all training to be accessed online at the beginning of the first lockdown in Spring 2020, the BRE Academy exceeded all its targets, demonstrating an increasing demand for fire safety training and strong interest in BREEAM, both in the UK and internationally. We anticipate this trend will continue, with the focus on building safety being applied by the UK government with the introduction of new construction products and building safety regulators through the Building Safety Bill which is currently moving through parliament.

The Strategic Advisory team continued to deliver on plan through the delivery of projects such as the Home of 2030 project (see below), circularity (CIRCUIT) and sustainability (Homes England).

> The Strategic Advisory Team at BRE was the programme lead for Government's Home of 2030 Competition. The competition aimed to tackle two of the country's grand challenges; helping our country adapt to an ageing society, while fighting climate change and pursuing net zero commitments. The competition placed BRE at the heart of the conversation on these topics between three Government departments (MHCLG, BEIS and DHSC), it also attracted significant Ministerial engagement. The judging panel was led by Peter Freeman, the newly appointed chair of Homes England. Homes England are now looking for development partners to build some of the winning designs.

The Housing and Energy team had a positive year with profitability ahead of plan on income of £4.3m. Core activity with the Department for Business, Energy and Industrial Strategy (BEIS) and Ministry of Housing, Communities & Local Government (MHCLG) remains strong with the delivery of the multi-year English Housing Survey and Standard Assessment Procedure (SAP) programmes. The Housing and Health team secured a significant amount of work delivering modelling for local authorities indicating residential dwellings areas most closely linked with ill health, work that will continue throughout the coming year. In challenging circumstances given in-person contact was restricted, we were also able to deliver the English Housing Survey and Fuel Poverty statistics to MHCLG and BEIS early, having implemented improvements even during this very challenging year.

Fire and security testing and certification continue to be key sectors for the Group. The fire and construction product testing business produced income of £15m for the Group. Testing covers a wide range of areas from physical security including doors, windows and fences, to fire safety which includes cladding systems and fire doors for example, through to air quality, acoustics and the safety of electrical appliances for which testing is mandatory.

Given increased levels of interest in and concern regarding health and wellbeing, there is a growing need to measure and improve indoor environmental quality (IEQ) for the benefit of occupants and other stakeholders. The BRE Environment team is regularly engaged in investigations of poor IEQ in settings such as offices, schools, hospitals and residential dwellings, as well as in testing and verification of materials, innovations, products and systems which are intended to improve indoor environments. This work is conducted using a range of test rigs, environmental chambers and spaces in which mock-ups can be constructed and used for physical testing.

Work has also continued across wind, large structures and environment testing. Local Authorities started to introduce requirements for wind and microclimate assessments for all new developments as part of their local planning policy opening significant opportunities for BRE Group.

International Activities

The performance of BRE China, a subsidiary of BRE Group, continues to improve although like most businesses was impacted by the Covid-19 pandemic. This subsidiary provides a range of services within the built environment to businesses based in China and the wider Asian market including Hong Kong. The focus is around training in BREEAM and BIM as well as providing support to BREEAM customers in the region. Revenue remained constant at £503k compared to the previous year of £506k which is a positive result given the impact of the pandemic. Interest in sustainable buildings, green finance and health and wellbeing is growing in China and there is a real opportunity to build on the business secured to date.

BRE Global Assurance (Ireland) Limited, another subsidiary of BRE Group, received regulatory approval as a Notified Body by the European Commission on 4 October 2019 and with that a mandate to carry out conformity assessments in accordance with the EU Directive. This has enabled BRE Group to continue with certification work within the EU post the UK's exit on 31 December 2020. A strong team has been assembled in Ireland and started to undertake certification work at the beginning of 2020. Opportunities are being developed in Ireland and across Europe and BRE Group is in a strong position to grow this business.

Employee engagement and development

Our people are integral to the success of the Group, and we are proud of the passion and wide-ranging expertise and skills of our colleagues across the business. This year, we have invested in a number of people programmes that will help us create an environment in which our people can continue to thrive. During the year a great deal of focus was on both managing the Covid-19 pandemic whilst also continuing with the strategic plans for the restructure of the Group.

A new approach and system for Performance and Development reviews has been implemented which will improve the way our managers support their teams to align goals and objectives, recognise achievements and support the ongoing development of knowledge and skills.

As a result of an extensive engagement exercise with colleagues from across the business, a job family framework has been implemented which has enabled us to plot clearer career paths and routes to progression for individuals, as well as develop a more consistent approach to pay and reward.

We have also changed our approach to understanding the engagement of our colleagues, moving away from an annual employee survey to a quarterly pulse survey to support a more immediate and dynamic feedback mechanism. We measure three important aspects of engagement: how connected our colleagues feel to the business, how enabled they feel to perform and the extent to which their physical, interpersonal, and emotional wellbeing at work energises them. Our baseline survey this year showed that we had an overall engagement score of 77% which is a good start, but with room to continue to improve next year.

We continue to focus on creating an inclusive environment where we can attract, retain and motivate the very best people. This year we took steps to improve our family friendly policy by aligning shared parental leave pay to the equivalent of our enhanced maternity pay, removing one of the barriers to enabling more flexibility in sharing childcare arrangements.

In the light of the Covid-19 pandemic we have also had to rapidly adapt to remote working whilst understanding what this will mean for the future of the workplace and how we enable colleagues to continue to work flexibly once the crisis is over.

BRE Sustainability Plan

Our current Sustainability Strategy **S Plan** was established in 2008 to demonstrate BRE's commitment to sustainability across 7 key areas, primarily environmental, and focusing on the BRE Garston site. It covers Energy, Water, Waste, Transport, Ecology, Procurement and Supply Chain and Communications and Engagement. As part of the plan, BRE pledged that by 2020 it would halve its environmental impact compared with the 2010 level. Supporting the UK Green Building Council Climate Pledge initiative, the BRE S Plan 2020 set a number of targets to deliver real and measurable improvements in our business and reduce our major impacts on the environment.

In addition, a group of S Plan Champions was formed, drawn from across the business and dedicated to identifying and implementing projects and engaging employees in all aspects of the S Plan. This group reviews progress against sustainability targets and projects and meets on a quarterly basis, along with the Health, Safety and Environment Compliance Manager and the Head of Estates & HSE. BRE is also certified as complying with ISO14001, which includes requirements for reporting on energy, waste and water.

SECR reporting

This is the second year that BRE Trust has been required to report under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Reporting) Regulations 2018 ("the 2018 Regulations") which require us to disclose our annual energy use and greenhouse gas emissions. However, we have always carefully monitored our energy use as part of our ISO14001 accreditation and wherever possible reduced our use of energy and in particular tried to minimise our greenhouse gas emissions.

As part of the work on complying with the 2018 Regulations we commissioned an independent report from a building services consultancy company FocusFM, to analyse the energy data from our UK activities for the period 1 April 2020 to 31 March 2021 as well as comparing to the previous period. Details of this data and the methodology used to calculate the emissions are set out below.

Emissions generated for the burning of natural gas on site are considered Scope 1 (direct combustion), while emissions generated off-site from the provision of grid electricity are considered Scope 2 (Indirect energy from generating electricity) and Scope 3 (Transmission and Distribution losses associated with delivering electricity through the grid). Reporting of Emissions resulting from the use of grid electricity and natural gas were calculated using the UK Government GHG Conversion Factors for Company Reporting last updated June 2020.

In addition to the energy used in the buildings across our estate we also use energy for transport fuel both in company owned vehicles, which are included in Scope 1 and in hired vehicles or private employee-owned vehicles (Scope 3 indirect emissions). Fuel consumption data was calculated from a combination of employee expenses claims for fuel purchased and for miles travelled.

		2021	2021	2020	2020
Emissions Scope	Source	MWh	tCO_2	MWh	tCO_2
Scope 1	Natural Gas and business travel (company cars)	3,190	587	3,948	726
Scope 2	Electricity	2,393	606	3,957	1,011
Scope 3	Business travel and electricity transmission and distribution losses	157	84	736	258
Total scope 1&2		5,584	1,193	7,905	1,738
Total scope 1,2 &3		5,740	1,277	8,641	1,996

Intensity ratios can be used in order to compare overall emissions data with an appropriate business metric to allow a measure of comparison with other similar businesses. In the case of BRE given that most of the energy is used in the buildings occupied by the organisation we have selected an energy intensity ratio of kWh/m^2.

BRE currently occupies 48 buildings with a total floor area of $29,907m^2$. Using the total energy consumption of the buildings used by BRE the Energy Intensity Ratio (EIR) for scope 1&2 activities is $186.7kWh/m^2$ (2020: $264.3kWh/m^2$) and including all three areas, scopes 1,2 & 3 the EIR is $191.9kWh/m^2$ (2020: $288.9\ kWh/m^2$) which is a 33.6% fall in the EIR.

Using the total Scopes 1,2 and 3 emissions figures we can also calculate the Emissions Intensity Ratio (EmIR) for 2021 reporting year of $42.7kgCO_2/m^2$ (2020: $66.7kgCO_2/m^2$) a fall of 36% in the Emissions Intensity Ratio driven by a combination of factors which include a reduction in on site energy use with buildings been unoccupied during the pandemic and reduced travel activity due to lockdown as well as some planned changes to energy consumption.

Over the past year we have installed LED lighting in 7 buildings on our site at Garston and replaced inefficient gas boilers in three of our buildings to reduce the electricity and gas usage. The effect of these measures will be tracked by reviewing the monthly electricity and gas consumption figures for each building over time and opportunities for further energy efficiency measures will be identified and implemented where appropriate.

Financial Review

The financial statements have been prepared on the basis of the accounting policies set out in note 1 to the financial statements and comply with the current statutory requirements, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in January 2019 (the "SORP").

The consolidated results for the BRE Trust show a net income before tax of £2,588k (2020 (restated): £3,389 k) for the year on income of £52,292k (2020 (restated): £53,936k). Maintaining the net income level with 2020 is partly as a result of the government grant relating to Covid, along with the income from tax credits and the recent actions to reduce indirect costs and the reductions in employee costs over the last two years where the average staffing levels went from 595 in 2020 down to 558 in 2021.

The BRE Trust's consolidated results are derived from its use of cutting-edge research to develop a range of products, services, standards and qualifications that are used around the world to bring about positive change in the built environment. These activities can be categorised into four broad areas: provision of third-party assurance services, advisory services on building performance, construction and fire safety, services delivered to government and commercial activities.

Third-party Assurance
During the year the Trust's independent certification body, BRE Global, which is part of BRE Group continued to provide impartial, third-party certification services to businesses, manufacturers, and service providers around the world. These services generated income of £27,607k (2020 (restated): £28,708k) in the year. The third-party assurance provided in these areas included fire and security, environmental products, building information modelling (BIM) and management systems. BRE Global is a UKAS-accredited certification body which provides listings of certificated products and services including our Red and Green Books.

> The LPCB Red Book is a key reference for specifiers, regulators, designers and end users of fire and security products and services. Every product and service listed in the Red Book has been robustly checked by independent experts to ensure that it delivers and will continue to deliver the performance expected.
>
> 'GreenBookLive' is a free to use online database designed to help specifiers and end users identify products and services that can help to reduce their impact on the environment.

Advisory Services
Advisory services on building performance, construction and fire safety for the year ended 31 March 2021 generated income of £14,199k (2020 (restated): £17,823k). BRE Group provided a complete range of advisory, testing, certification, commissioned research and training services covering all aspects of the built environment. The economic environment in 2020/21 provided a challenging setting but the Group has continued to raise the standards of the built environment through the achievements of its people. The multi-disciplinary teams, including leading experts, have provided independent advice across the built environment from testing fire cladding to sustainable construction research and development.

Services Delivered to Government
Throughout 2020/21 the BRE Trust and the Group continued to commission and support research in the built environment for the public benefit by either leading or participating in both UK Government initiatives (Construction Innovation Hub) and EU Research and Innovation programmes. These services generated income of £7,700k (2020 (restated): £6,322k). By providing impartial research services to these programmes the Trust has been able to generate new knowledge and undertake cutting-edge research into areas as diverse as flood resilience, solar energy development, building materials research and future smart cities. BRE Trust and the Group are continuing to participate in similar governmental programmes and will do so into the future.

Commercial Activities
Commercial activities generated income of £1,159k (2020 £1,078k) in the year. The head office site at Garston includes the Innovation Park and is home to leading research facilities which have been established to inform sustainable development at a global level and stimulate innovation within the built environment. The park features full-scale demonstration buildings that have been developed by industry partners to achieve commercial goals. These buildings display innovative design, materials and technologies which combine to address the development challenges facing regions across the world.

The site provides rental space to a number of companies that benefit from synergies with BRE Group and the Trust and have access to the state of the art research facilities. These companies are continuing to work with BRE Group and the Trust will grow as the site is developed in the future.

Pensions Deficit
The FRS102 pension scheme deficits relating to the defined benefit schemes operated by BRE Group is incorporated into the balance sheet of Building Research Establishment Limited (BRE Ltd) and of the BRE Group (which is the holding company for BRE Ltd). The deficit increased during the year to £41,767k (2020: £32,814k) further details of which are set out in note 19 to the financial statements. This increase in the scheme deficit is in part due to the increase in the present value of the benefit obligations, off-set in part by an improvement in the value of the assets of the scheme along with the payments by the company as part of the deficit reduction plan agreed with the pension trustees. The Directors of BRE Ltd consider that since the Company is able to meet all of its short and medium term liabilities, and the nature of the pension scheme deficit is long term, that this does not impact on the Trust as a going concern.

The net movement in funds in 2020/21 was a decrease of £8.4m, being a combination of net income of £2.2m and actuarial loss on the defined benefit pension scheme of £10.6m.

Reserves Policy
BRE Trust has a reserves policy which requires it to maintain reserves at a level equivalent to total committed contract value plus three months of operating costs. This enables the BRE Trustees to manage financial risk and short-term income volatility. Free reserves available for use exclude restricted funds and the fixed assets held as unrestricted funds. Free reserves also exclude any long-term liabilities, and any deficit reported on the pension scheme. Should other funding not be received, the cash reserves should be used to pay committed contracts incurred defined by the notice period of the contract.

At 31 March 2021, committed contract value was £457k and three months operating costs were forecast at £19k which total £476k. BRE Trust has cash of £703k to meet these commitments and the excess cash is reflected in net reserves of £133k meaning that minimum reserves were being maintained.

The BRE Trustees will review the group reserves each year to assess the value of the reserves required to be held in cash and cash equivalents that are not restricted to any particular purpose. During the year the Trustees reviewed the total reserves, the operating costs of the Trust and the commitments under long term contracts and have ceased to enter into new long term commitments pending a full review of the BRE Trust structure and governance model.

Free reserves	2021 £'000	2020 (restated) £'000
Total unrestricted funds	(16,059)	(7,697)
Add: Pension liability	41,767	32,814
Net unrestricted funds	25,708	25,117
Less: Unrestricted fixed assets	(20,131)	(21,458)
Total free reserves	5,577	3,659
Represented by:		
Net current and intangible assets	7,456	5,186
Provisions	(1,879)	(1,527)
Total free reserves	5,577	3,659

The net movement in unrestricted funds in the year was an increase in the negative unrestricted funds of £8.4m (2020 (restated): decrease £17.1m) due to net income for the year of £2.5m (2020 (restated): £2.4m), offset by an actuarial loss on the defined benefit pension scheme of £10.6m (2020: gain £14.8m) and a transfer between funds of £0.3m (2020: nil).

Going Concern
BRE Trustees have carefully reviewed the financial position of the Trust and its subsidiaries taking account of the improvement in the level of reserves, excluding pension impact, and the net income of £2.2m generated in the financial year as well as its systems of financial and risk management. This review has included a detailed analysis of the forecasts for the current financial year, particularly given the impact of Covid-19, as well as the budgets for 2021 and 2022 and the cashflow projections for the Trust and BRE Group. As part of this review the management team have undertaken an assessment of the different income streams in the business, identifying the risks to income by looking at where the revenue is secure through committed contracts, where there are ongoing long-standing client relationships and where the revenue is more speculative.

In addition to analysing the income the BRE Trustees have reviewed the cost base in detail, particularly in light of Covid-19 but also as part of the on-going cost control implemented last year. During 2020 a restructuring exercise took place to reduce the operating costs of the organisation which will result in annual savings of over £2m from operating costs. The costs of the restructuring were supported by short term cash funding of £1.7m from the escrow account established on the sale of part of the site at BRE Group's head office at Garston. This borrowing will be repaid in equal instalments over the first nine months of this financial year. This recent review

has examined the forecast and budgeted costs at divisional and team levels to ensure these costs are managed effectively, that the risks where costs could increase are understood and the areas where further savings can be made are identified. This exercise has identified further opportunities to make some savings with the property portfolio. Refurbishment is being planned for some of the offices in Garston with staff working flexibly. This will allow the Group to reduce the space needed in offices and some of this will be made available to grow our rental income. Some small regional offices have also been closed in favour of more flexible arrangements.

The Construction Innovation Hub is a £72m, four-year programme which BRE is delivering (with partners) on behalf of Innovation UK to review the way in which the construction of social infrastructure (Schools, Hospitals, Prisons) takes account of modern methods of construction using a consistent methodology being developed by the programme. CIH is a ground-breaking programme for the UK Government and the industry and provides the potential for innovation in the construction sector both in the UK and internationally.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank was renewed at the beginning of 2021 for a further 12 months. This facility, along with funding from the escrow account, together with the advanced funding for the development of the Construction Innovation Hub will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and BRE Group over the next 12 months and in the medium term.

The planning processes, including financial projections, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Details of the BRE Group's pension fund obligations are set out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan designed to get the scheme to self-sufficiency by 2037.

Taking all this information together, the BRE Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of BRE Trust and its subsidiaries to continue as a going concern. The BRE Trustees consider the main risks to be those set out in the Risk Management section of this report.

Creditors payment policy
The Group operates normal trading terms of payment within 45 days of the date of the invoice when making payments to its creditors.

Risk management
The Trust and the Group maintain group-wide systems for managing risk, operational and compliance issues across all activities. Systems are continuously evolving and currently include a code of conduct, compulsory training, mandatory procedures, a detailed high-level risk analysis and response strategy, mandatory risk assessments, appropriate insurances and internal audit. The major risks faced by the Trust are reviewed by the BRE Trust Audit and Risk Committee and the risks faced by the BRE Group are reviewed by the BRE Group's Risk and Audit committee.

BRE Group Board and the Council of Trustees take responsibility for their respective risk registers and review the work of their respective Risk and Audit Committees. The Trustees also review the strategic risk register presented by the BRE Group Board and acknowledge their responsibility for the BRE Group's system of internal control and for monitoring its effectiveness.

The BRE Trustees accept that such a system can provide only reasonable and not absolute assurance against material misstatement and loss and that the system is designed to provide the Trustees with reasonable assurance that problems are identified on a timely basis and dealt with appropriately and that systems exist to mitigate those risks.

The BRE Trust Risk Register was reviewed and updated in the last year, revising the format for the register to include a more specific assessment of individual risks and their supporting mitigation activities. Input to this was provided at a workshop with trustees to review and update the Risk Register content to reflect current key priorities, as follows:

- Governance and Structure not suitable for purpose
- Skills not suitable for purpose
- Not able to meet its charitable objectives

- Impacted by failure to adhere or respond to legal or regulatory changes
- At risk due to performance failure of BREG and subsidiaries.
- Not financially solvent
- Unable to deliver programme
- Loss of Reputation/Brand
- Unable to operate due to Business disruption

Key responsibilities for each Risk are now assigned to specific Committees for ongoing review and response to maintain sufficient level of mitigation.

The Trustees consider the current, key strategic risks of the BRE Group to be those identified below. This table also shows the risk mitigations taken by the organisation and the changes from last year.

Strategic Risks	Risk control and mitigation	Change from last year
Financial stability	• Detailed business planning extended to a three-year time horizon with a bottom up approach to ensure realistic targets are put in place and managers own the budget figures. • Renewal of the existing overdraft facility to provide sufficient working capital over the next 12 months to meet obligations as they fall due. • Delivery of pension recovery plan of a realistic timescale to eliminate the pension deficit. • Shareholder and board oversight clear with agreed policies and procedures in place and on-gong review to ensure they are appropriate and enforced.	• Business planning continues to improve and although we have been impacted by Covid-19 forecasting has improved over the year and continues to improve with regular monitoring of results across the organisation. • The existing overdraft facility was renewed this year at a level sufficient for the business. • The pension recovery plan remains on track with the investment strategy hedging risks appropriately. Policies and procedures are in line with the prior year.
Talent retention and acquisition	• Key people and skills are identified with opportunities to upskill employees. • Flexible and remote working options available where circumstances allow. • Timely and focussed recruitment, with bench-marking pay using external resources as well as against industry norms. • Improved engagement with employees including implementation of Job Families, regular Performance and Development Reviews and management oversight (further detail below).	• There are still risks with employee retention and acquisition partly because of our proximity to London but also as a consequence of the pandemic. We are continuing to monitor and improve employee engagement as well as employee wellbeing given the impact Covid-19 has had on all our colleagues. We have reviewed options for working arrangements and will be introducing flexible working arrangements where appropriate.

Strategic Risks	Risk control and mitigation	Change from last year
Cyber security risks including loss of data and breach of regulations.	• Continuous employee training, including mandatory courses covering policies and procedures, best practice and lessons learned. • On-going attack and resilience testing, continuous systems improvements and Cyber Essentials Plus was renewed in the year. • Dual server centres in place with independent internet connectivity replicating data to provide resilience across the network.	• This risk continues to grow with new methods of attack and increased regulation. We continue to invest in our cyber security controls, training, and testing to mitigate this heightened risk. During 2020/21 we were audited for Cyber Essentials Plus and retained this external benchmark.
Reputation and brand	• Integrity is integral to BRE Code of Conduct and the way we work. • All scientific output follows a clear internal review process before issue with follow up process to include lessons learned. • Speaking up policy in place and reviewed annually. • Grenfell inquiry proceedings are monitored closely and BRE has provided a significant volume of information to assist the inquiry and continues to do so.	• We are continuing to apply significant resources on assisting the Grenfell inquiry including reviewing all historical documentation in connection with our government work. • We have professionalised and centralised our media handling and reputation management through our Corporate Affairs Team.
Regulatory changes including Brexit and government policy	• BRE Global Assurance (Ireland) Limited established to provide services to the European market. • Improved engagement with government departments to ensure we maintain close working relationships and are able to identify potential changes in policy ahead of implementation. • The Construction Innovation Hub programme is designed to put us in a good position to be recognised as a test and certification provider for modern methods of construction.	• BRE Global Assurance (Ireland) Limited has now been fully established and is developing new opportunities within Europe. • The risks with UK Government policy changes have been mitigated through regular communications with government departments and industry bodies.
Competition and market relevance	• Current change programme is now focused on the conclusions from the review of purpose and identifying relevant products, services within geographic regions offered by BRE Group. • The programme aims to identify where improvements can be made with the BRE operating model to increase our advantage over competitors but also identify declining markets.	• The internal transformation programme and new leadership to improve BRE's market position is progressing well with benefits already been seen within the Academy and Building Performance Services with further work on-going within Assurance Services.
Economic – prolonged global recession brought about by Covid-19	• Already planned cost reduction exercise implemented quickly, use of government support mechanisms, constant forecasting to ensure impact of Covid-19 clearly understood, maintain cost flexibility and agile response to new opportunities including additional government work.	• We have continued to adapt our working methods, including working from home where appropriate. We have managed our costs carefully but continue to monitor the changing economic environment.

Statement by the Trustees in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006.

The BRE Trustees consider that both individually and together that they have acted in the way they consider, in good faith, would be most likely to promote the success of BRE Trust for the benefit of its stakeholders as a whole (having regard to the matters set out in s172(1)(a-f) and S172(2) of the Act) in the decisions taken during the year ended 31 March 2021. The following paragraphs summarise how the Trustees fulfil the key elements of these duties.

Business planning and risk management

The BRE Trustees maintain its strategic plan for funding world class research in the built environment and consider long term planning as a critical part of how they ensure they understand the long-term consequences of their decisions. The Trustees recognise the nature of the safety critical services provided by BRE Group to its customers and the need to continue to evolve our approach to the risk management.

Our people

Our people are integral to the success of BRE Group and BRE Trust and we are proud of the passion and wide-ranging expertise and skills of our colleagues across the business. This year, we have invested in a number of people programmes that will help us create an environment in which our people can continue to thrive and develop including engagement programmes, further details of which are set out in the Strategic Report under the section on Staff engagement and development.

Business and stakeholder relationships

The success of the organisation is dependent on our relationships with all of our stakeholders which include partners for BRE Trust, our customers for BRE Group as well as all our suppliers and staff. At BRE Trust we have focused heavily on building a network of like-minded organisations to improve research, education and practice in the built environment further details of which are set out in the Strategic Report under the section on Achievements and performance. BRE Group has focused on business development bringing in new commercial resources to work across the product portfolio to gain insight into markets and customers so that we are better able to serve the needs of all our stakeholders.

Community and Environment

The BRE Trustees recognise that the way we construct and manage homes, workplaces and other built assets can have hugely positive impacts on our wellbeing, economic performance and the sustainability and resilience of our built environment. Critical to this and the BRE Trust's core focus is the development of improved products, processes and tools to enhance economic and environmental impacts.

Disclosure of Information to Auditor

Insofar as each of the BRE Trustees of the Group and Charity at the date of approval of this report is aware there is no relevant audit information of which the group and company's auditors is unaware. Each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group and company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Crowe U.K. LLP will therefore continue in office.

STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 March 2021

The Trustees (who are also Directors of BRE Trust for the purposes of company law) are responsible for preparing the Trustees' annual report, Strategic report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' Report, under the Charities Act 2011 and Companies Act 2006, was approved by the Council of Trustees' on 16 August 2021 including approving in their capacity as company directors the strategic report contained therein, and is signed as authorised on its behalf by:

P.G.Wilbraham
P.G.Wilbraham (Aug 19, 2021 11:50 GMT+1)

Philip Wilbraham
Chair

Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

Opinion

We have audited the financial statements of BRE Trust for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2021 and of the group's outgoing resources and application of resources 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information contained with the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion based on the work undertaken in the course of our audit

- the information given in the Trustees' report, which includes the directors' report and the strategic 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 Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Trustees' responsibilities statement set out on page 19 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 or the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and discussed these between our audit team members. We then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Group for fraud. The only other laws and regulations we considered in this context are;

- General Data Protection Regulation (GDPR)
- ISO standards (ISO 17025, ISO 17065, ISO 9001; Quality Management System, ISO 14001: Environmental Management, ISO 45001: Occupational Health and Safety
- Health and safety legislation
- Taxation legislation
- Employment legislation

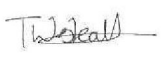
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, designing and implementing audit procedures over income, detailed testing of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Companies House, Charity Commission, OSCR, HMRC, the ICO, Health and Safety Executive (HSE), United Kingdom Accreditation Service (UKAS), Lloyd's Register Quality Assurance (LRQA), the review of internal audit reports and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations

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, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Cheltenham

1 September 2021

BRE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE COMPANY INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2021

	Note	Restricted Funds 2021 £'000	Unrestricted Funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 (restated) £'000
Income from					
Charitable activities	2	7,635	41,871	49,506	52,853
Other trading activities	3	-	2,782	2,782	1,078
Interest receivable		-	4	4	5
Total		7,635	44,657	52,292	53,936
Expenditure on					
Charitable activities	4	(7,915)	(41,789)	(49,704)	(50,547)
Net (expenditure) / income before tax		(280)	2,868	2,588	3,389
Taxation	8	-	(383)	(383)	(6)
Net (expenditure) / income		(280)	2,485	2,205	3,383
Transfers between funds		277	(277)	-	
Other recognised gains/(losses)					
		-	-	-	-
Actuarial (losses) / gains on defined benefit pension scheme		-	(10,570)	(10,570)	14,773
Net movement in funds		(3)	(8,362)	(8,365)	18,156
Reconciliation of funds					
Total funds/(deficit) brought forward	16	1,304	(7,697)	(6,393)	(24,549)
Total funds/(deficit) carried forward		1,301	(16,059)	(14,758)	(6,393)

In 2020 the net movement of funds for the year on restricted funds was a gain of £1,020k.

The accompanying notes on pages 26 to 49 form an integral part of these financial statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS
For the year ended 31 March 2021

	Note	Group 2021 £'000	Group 2020 (restated) £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets					
Intangible assets	9	1,268	663	-	-
Tangible assets	10	21,210	22,610	-	-
Investments	11	-	-	5,000	5,000
		22,478	23,273	5,000	5,000
Current assets					
Debtors	13	13,496	14,926	3	455
Cash		9,103	4,492	731	742
Creditors: amounts falling due within one year	14	(16,189)	(14,743)	(601)	(453)
Net current assets		6,410	4,675	133	744
Total assets less current liabilities		28,888	27,948	5,133	5,744
Provisions for liabilities	15	(1,879)	(1,527)	-	-
Net assets excluding pensions liabilities		27,009	26,421	5,133	5,744
Defined benefit pension scheme liability	19	(41,767)	(32,814)	-	-
Net (liabilities) / assets including pension liabilities		(14,758)	(6,393)	5,133	5,744
Funds of the Group					
Unrestricted funds:					
General fund	16	15,451	14,860	4,995	5,606
Revaluation reserve	16	10,257	10,257	-	-
Pension reserve	16	(41,767)	(32,814)	-	-
Restricted funds:					
Other reserve	16	9	9	-	-
Capital reserve	16	1,070	1,040	-	-
Income fund	16	222	255	138	138
Total funds/(deficit)		(14,758)	(6,393)	5,133	5,744

The total income for the year of the Charity dealt with in the financial statements was £ nil (2020: £19k) and total expenditure was £611k (2020: £808k).

The accompanying notes on pages 26 to 49 form an integral part of these financial statements.
These financial statements were approved by the Trustees on 16 August 2021

P.G.Wilbraham
P.G.Wilbraham (Aug 19, 2021 11:50 GMT+1)

Philip Wilbraham
Chairman
Company Registration Number: 03282856
Charity Registration Number in England and Wales: 1092193
Charity Registration Number in Scotland: SCO39320

BRE TRUST

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2021

	Note	2021	2020 (restated)
		£'000	£'000
Net cash from operating activities	17	6,332	5,007
Cash flows from investing activities			
Interest received		4	5
Acquisition of tangible fixed assets	10	(247)	(1,395)
Acquisition of intangible fixed assets	9	(1,478)	(418)
Net cash used by investing activities		(1,721)	(1,808)
Increase in cash and cash equivalents in the year	18	4,611	3,199
Cash and cash equivalents at the beginning of the reporting period		4,492	1,293
Cash and cash equivalents at the end of the reporting period		9,103	4,492

The accompanying notes on pages 26 to 49 form an integral part of these financial statements.

1 Accounting policies

Charity information

BRE Trust is a charity (registered number 1092193) that is incorporated and domiciled in the United Kingdom. The Charity is registered as a company limited by guarantee in England and Wales (registered number 03282856) and in Scotland (registered number SCO39320). The registered office is Bucknalls Lane, Garston, Watford, Hertfordshire, WD25 9XX.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. BRE Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Basis of consolidation

The Group financial statements consolidate the financial statements of the Charitable Company and its subsidiary undertakings drawn up to 31 March each year. With the exception of BRE China the financial statements of subsidiaries are prepared for the same reporting year as the Trust using consistent accounting policies. Even though BRE China has a 31 December reporting date the consolidated accounts include its results for the 12 months to 31 March 2021. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition or up to the date of disposal.

Details of the principal subsidiary undertakings are shown in note 11. Transactions or balances between BRE Trust Group entities that have been eliminated on consolidation and are not reported.

Critical accounting judgements and estimation uncertainty

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates which could differ from actual outcomes. The items in the financial statements where these judgements and estimates have been made are:

- Revenue for provision of services is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured. For continuing services, revenue is recognised when the stage of completion can be reliably measured using a percentage completion method.
- The assessment of the Trust and Group as a going concern, further details regarding this judgement are set out under this heading below.
- The provisions made in respect of bad or doubtful debts which is based on historical experience of our debtors and specific knowledge of individual bad debts.
- The assumptions used to value the defined benefit pension scheme obligations and other defined benefit plans, which are based on best estimates of the discount rate to apply and inflation rates, further details of which are set out in note 18 to these financial statements,
- impairment and valuation of non-current assets and the remaining useful life of assets which is based on future plans for the use of the assets.

Going concern

The Trustees have carefully reviewed the financial position of BRE Trust and its subsidiaries taking account of the level of reserves and the income for the financial year as well as its systems of financial and risk management. This review, which is part of the annual three-year planning cycle, has included a detailed analysis of the forecasts for the current financial year, a review of the budgets for 2022 and 2023 and the cashflow projections for the Trust and BRE Group. As part of this review the management team have undertaken a detailed analysis of the different income streams in the business, identifying the risks to income by looking at where the revenue is secure through committed contracts, where there are ongoing long-standing client relationships and where the revenue is more speculative. This review took into account the impact we have seen from Covid-19 during this financial year but also the opportunities that are being developed following the changes that have been undertaken across the business.

1 Accounting policies (continued)

The forecasts for the current financial year and the budgets for 2022 and 2023 have been set-out as the base case for the organisation. They include the impact of known capital expenditure as well as provision for some potential risks of assets needing replacement. However, they do not include the possible upside of the growth opportunities in passive fire protection products and infrastructure work. The review has included sensitivity analysis around the income streams to ensure that in the event of a downturn in the economy the Group would still be able to operate sustainably for the foreseeable future.

There continues to be day-to-day focus on working capital management and cashflow forecasts are reviewed on a regular basis. The overdraft facility with Barclays Bank has recently been renewed for a further 12 months. This facility, together with the advanced funding for the development of the Construction Innovation Hub will ensure that sufficient working capital exists to fund the ongoing activities of BRE Trust and the Group over the next 12 months and in the medium term.

The planning processes, including financial projections, take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Details of the Group's pension fund obligations are set-out earlier in this report and a clear strategy exists to manage the deficit, which includes a deficit reduction plan which is designed to get the scheme to self-sufficiency by 2030.

Taking all this information together the Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of the Group to continue as a going concern.

Income
Income is recognised when the Group has entitlement to the funds, any performance conditions attached to the item of income has been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Income from government and other grants is recognised when the Group has entitlement to the funds, any performance conditions attached to the grants have been met and where it is probable that the income will be received, and the amount can be measured reliably.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover reflecting the proportion of work completed to date on the project.

Funds
All funds of the Charity and the Group are unrestricted funds, with the exception of a number of individual grant funded projects, which are restricted. Unrestricted funds are available for the Trustees to apply to research activities that are in accordance with the objects of the Trust. Restricted funds are used for research governed by any conditions accepted at the time the funds are received.

1 Accounting policies (continued)

Expenditure
All expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year on a basis consistent with use of the resources. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are allocated to the different categories of activities. This is based on a judgement of the percentage the specific activity represents in relation to the total non-support expenditure. Support costs include processing and administration, human resources, information technology and facilities costs.

Governance costs are included within support costs and include strategic planning costs for the Trust's future development, external audit and all costs of complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and for preparing statutory financial statements and satisfying public accountability.

Redundancy and settlement payments are recognised at the leaving date of the member of staff and measured at the best estimate of expenditure required to settle the obligation at the reporting date.

Operating Leases
Operating leases and the payments made under them are charged to the statement of financial activities on a straight-line basis over the lease term. The Group also lets some of its property on short term leases of five years or less which are classified as operating leases. Lease income is recognised on a straight-line basis over the lease term.

Research and development
All research expenditure is charged to the statement of financial activities in the period in which it is incurred. The development costs incurred in the creation of new software products and tools are capitalised under intangibles. The amount of research and development expenditure recognised as expenditure in the year was £2,814k (2020: £1,866k).

Taxation
BRE Trust is a registered charity and as such is entitled to certain tax exemptions on income and profit from investments and surpluses on trading activities carried out in the furtherance of the Charity's primary objectives if these profits and surpluses are applied solely for charitable purposes.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Trust's UK subsidiary companies give all their taxable profits to the Charity, normally resulting in no liability to corporation tax. Tax is payable by overseas subsidiaries in accordance with local regulations.

Intangible assets
Purchased goodwill is capitalised and amortised over its useful economic life, which is determined on a case by case basis, but does not exceed 5 years.

Expenditure incurred in the development or purchase of software and the purchase of licence agreements is capitalised and written off over the useful economic life of the asset and will not exceed 20 years.

1 Accounting policies (continued)

Tangible fixed assets and depreciation
Tangible fixed assets are capitalised and stated at cost or valuation less depreciation. The fair value of land and buildings is determined from a market-based appraisal undertaken by a professionally qualified valuer every three years and the next valuation will be undertaken in 2022. Assets are reviewed annual for any impairment in value.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis, as shown below:

Leasehold Improvements	8 years
Freehold buildings	5-20 years
Plant and machinery	3-10 years
Fixtures and fittings	7 years
Motor vehicles	3-10 years

No depreciation is provided on freehold land.

Provisions
Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Within provisions is an amount for enhanced redundancy benefits where employees over 50 years of age can, under TUPE rules, translate part of their redundancy entitlement into an annual compensation payment. A provision is made for the future amounts payable over the estimated life expectancy of the ex-employees.

Cash
Cash balances are part of the Group's working capital and are kept on current account or short term deposit.

Basic financial instruments
Debtors
Debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financial transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Creditors
Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Investments in subsidiaries, jointly controlled entities and associates
Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

1 Accounting policies (continued)

Foreign currencies
Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Any exchange differences are dealt with through the Statement of Financial Activities.

The statement of financial activities, assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Gains and losses arising from the translation of opening balances and long term loans are taken to the Statement of Financial Activities.

Post – retirement benefits
Building Research Establishment Limited operated defined benefit pension schemes providing benefits based on final pensionable pay. The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC Scheme at 31 March 2009. The two schemes were merged together during 2016 forming the BRE and LPC Pension Scheme. The assets of the scheme are held separately from those of the Trust and the trading subsidiaries.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The liabilities shown for this FRS102 valuation represent an update of the latest Triennial Actuarial Valuation for the BRE section as at 1 October 2014 and the LPC section as at 1 July 2013 with allowance made for interest on the Scheme liabilities, benefits that have been paid out of the Scheme and changes in market conditions as suggested by the agreed assumptions. In addition, allowance has been made for benefit increases over the year compared to the assumed increases at the start of the period.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Building Research Establishment Limited also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust and its subsidiaries in an independently administered fund. The pension costs charged against net income are the contributions payable to the scheme in respect of the accounting period.

Employee benefits paid on redundancy or termination include accrued amounts where BRE Trust is demonstrably committed to make these payments but they had not yet been made at 31 March 2021. All accrued amounts are fully funded and expected to be settled within 12 months of the balance sheet date.

2 Income

	2021 £'000	2020 (restated) £'000
Advisory services on building performance, construction and fire safety	14,199	17,823
Provision of third-party assurance services	27,607	28,708
Services delivered to government	7,700	6,322
	49,506	52,853

Included in services delivered to government are amounts totalling £7,700k (2020 (restated): £6,322k) which are government grants for undertaking research projects for which there are no unfulfilled conditions.

3 Other trading income

	2021 £'000	2020 £'000
Other rental income	1,006	1,078
Other trading income	153	-
Government grant income	1,171	-
Tax credits	452	-
	2,782	1,078

Government grant income relates to amounts received under the Coronavirus Job Retention Scheme, where support staff were furloughed during the year. There were no conditions attached to this income.

4 Expenditure

Charitable activities

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Activities undertaken directly	786	14,776	13,593	5,392	34,547	34,078
Grant funding of activities	-	611	-	-	611	657
Support costs	325	6,366	5,624	2,231	14,546	15,812
	1,111	21,753	19,217	7,623	49,704	50,547

Analysis of support costs

	Commercial Activities	Advisory Services	Third Party Assurance	Services to Government	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Legal and professional	96	1,880	1,661	659	4,296	4,672
IT	29	572	506	201	1,308	1,492
HR	18	349	309	122	798	1,070
Marketing	20	386	340	135	881	1,011
Facilities	51	1,008	890	353	2,302	3,002
Other	111	2,171	1,918	761	4,961	4,565
	325	6,366	5,624	2,231	14,546	15,812

Included within Support costs are the following governance costs

	2021 £'000	2020 £'000
Auditor's remuneration:		
Audit of Group and subsidiary financial statements	71	62
Amounts receivable by auditor and associates in respect of:		
Services relating to taxation	12	10
Additional fees relating to prior year audit	28	35
Other services	3	11

Expenditure on research and development recognised as an expense totalled £2,814k (2020: £1,866k)

5 Staff costs and numbers

	2021 £'000	2020 £'000
Group staff costs during the period amounted to:		
Wages and salaries	22,542	24,302
Social security costs	2,211	2,440
Other pension costs	3,577	3,546
Operating costs of the defined benefit pension scheme	449	481
	28,779	30,769

Included in Other pension costs are contributions made by the Trust of £2,531k (2020: £2,479k) to the closed BRE and LPC defined benefit Pension Scheme.

During the year redundancy and termination payments totalling £1,754k (2020: £986k) were made in agreement with the employees, who were provided with independent legal advice, to compensate them for loss of employment arising from their employment with the Group ceasing.

The executive team consisting of 3 individuals were paid a total of £619k (2020: 7 individuals were paid £883k).

The average number of employees (including directors) during the year was as follows:

	2021	2020
Research staff	506	539
Support staff	52	56
	558	595

The number of regular employees whose pay and taxable benefits exceeded £60,000 fell within the following bands:

Salary band	2021	2020
£60,000 - £69,999	22	24
£70,000 - £79,999	8	18
£80,000 - £89,999	8	7
£90,000 - £99,999	4	6
£100,000 - £109,999	2	3
£110,000 - £119,999	4	4
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
£160,000 - £169,999	1	2
£170,000 - £179,999	1	-

The total employer contributions in the year for provision of money purchase pension benefits for higher paid employees were £190k (2020: £260k). The number of higher paid employees (i.e. greater than £60k) to whom pension benefits are accruing under money purchase schemes was 44 (2020: 62).

6 Trustees' remuneration and expenses

No Trustee earned any remuneration in either 2021 or 2020. Out of pocket expenses incurred by 1 (2020: 1) Trustee in the furtherance of their duties are reimbursed at cost and totalled £70 (2020: £1,901). The whole of this amount related to travel and out of pocket expenses.

7 Other finance costs

	2021 £'000	2020 £'000
Expected return on pension scheme assets	2,276	2,024
Interest on pension scheme liabilities	(3,096)	(3,191)
Administration expenses	(94)	-
Past service cost (incl. curtailments)	-	-
	(914)	(1,167)

8 Taxation

BRE Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable Company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The tax charge for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below.

	2021 £'000	2020 (restated) £'000
Current tax		
UK corporation tax on profit for the year	362	6
Adjustment in respect of previous year	21	-
	383	6
Tax reconciliation		
Profit on ordinary activities before tax	2,588	3,389
Tax using the UK corporation tax rate of 19% (2020: 19%)	492	644
Effects of:		
Expenses not deductible for tax purposes	147	144
R&D expenditure credits	(86)	(32)
Consolidation adjustments	301	58
Deferred tax not recognised	(471)	(808)
Total tax charge	383	6

8 Taxation (continued)

The Finance Act 2021 received Royal Assent on 10 June 2021 and the corporation tax rate will increase from 19% to 25% from 1 April 2023 for companies with taxable profits in excess of £250,000. For those businesses that have taxable profits between £50,000 and £250,000 a marginal rate relief scheme will be introduced to bridge the gap between the 19% rate and 25% rate providing a gradual increase in rate throughout this band.

9 Intangible fixed assets

Group	Software	Other Intangibles	Total
	£'000	£'000	£'000
Cost			
At 1 April 2020	4,454	497	4,951
Additions	1,478	-	1,478
Disposals	(25)	-	(25)
At 31 March 2021	5,907	497	6,404
Amortisation			
At 1 April 2020	3,849	439	4,288
Charge for the year	790	58	848
Eliminated on disposal	-	-	-
At 31 March 2021	4,639	497	5,136
Net book value			
At 31 March 2021	1,268	-	1,268
At 31 March 2020	605	58	663

10 Tangible fixed assets

Group	Freehold Land and Buildings	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2020	27,339	10,456	1,180	54	39,029
Additions	52	162	33	-	247
At 31 March 2021	27,391	10,618	1,213	54	39,276
Depreciation					
At 1 April 2020	8,029	7,591	746	53	16,419
Charge for year	623	914	109	1	1,647
At 31 March 2021	8,652	8,505	855	54	18,066
Net Book Value					
At 31 March 2021	18,739	2,113	358	-	21,210
At 31 March 2020	19,310	2,865	434	1	22,610

Freehold land is not depreciated. As at 31 March 2021, freehold land and buildings is held at the revalued amount of £19.1 million. The comparable cost and net book value at that date determined under the historical cost accounting rules would have been £16.8 million and £9.4 million respectively. A full valuation was performed on 18 March 2019 by Christian Glazier (MRICS) of BNP Paribas Real Estate. The valuation was prepared in accordance with Professional Standard 2 of the RICS Valuation – Global Standards 2017 ("the Red Book").

All tangible fixed assets are used in the commercial trading organisations.

No tangible fixed assets are owned by the Trust.

11 Fixed asset investments

Charity	Interest in subsidiary undertakings £'000
Net Book Value	
At 1 April 2020 and 31 March 2021	5,000

The trading results of the operating subsidiaries of the Group are:

	Building Research Establishment Limited	BRE Global Limited	Constructing Excellence Limited[#]	Ceequal Limited	BRE China	BRE Ireland
	2021	2021	2021	2021	2021	2021
Summary profit and loss account	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	21,278	28,617	199	94	503	385
Operating costs	(33,106)	(28,566)	(91)	(119)	(613)	(273)
Other operating income	16,745	37	-	-	-	-
Operating profit/(loss)	4,917	88	108	(25)	(110)	112
Other finance costs	(914)	-	-	-	-	-
Actuarial loss on defined benefit pension	(10,570)	-	-	-	-	-
Net result	(6,567)	88	108	(25)	(110)	112
Taxation	(362)	(21)	-	-	-	-
Retained in the subsidiary	(6,929)	67	108	(25)	(110)	112
Assets and liabilities of the subsidiary						
Fixed assets	22,827	632	-	-	1	-
Current assets	15,104	23,145	262	1,091	526	275
Creditors falling due within one year	(27,245)	(5,896)	(43)	(138)	(1,113)	(488)
Net assets/(liabilities)	10,686	17,881	219	953	(586)	(213)
Provision for liabilities	(1,879)	-	-	-	-	-
Pension scheme liabilities	(41,767)	-	-	-	-	-
Deferred grant	(277)	-	-	-	-	-
Total funds	(33,237)	17,881	219	953	(586)	(213)

12 Subsidiary and associate undertakings

The undertakings in which the Group's interest at 31 March 2021 was more than 20% were as follows:

	Interest in ordinary share capital	Activity
Trading Companies:		
BRE Group Limited (02704081)	100%	Management of subsidiary company operations
Building Research Establishment Limited (03319324) [##]	100%	Advisory services and information on building performance, construction and fire safety
BRE Global Limited (08961297)[##]	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Building Research Establishment Shenzhen Limited (91440300358776938Y)*	100%	Sustainability and training
Ceequal Limited (04568928)[+]	100%	Methodologies for sustainable infrastructure projects
BRE America Holdings Inc (5984258)*	100%	Holding company
BRE America LLC (201607410163)* [#]	100%	Assessment of developments under BREEAM process
Buildingwise LLC (200716410151)	100%	Assessment of developments under LEED and BREEAM process
Constructing Excellence Limited(04641522)*[>]	N/A	Co-ordination of member led performance improvement network
BRE Global Assurance (Ireland) Limited (602123)	100%	Testing and certification of materials and products, and certification of personnel, Buildings, process, systems and supply chains
Non-Trading Companies:		
BRE Certification Limited (03548352)[+]	100%	
BRE International Limited (01915620)* [#]	100%	
BRE Canada Inc (81924 6000)*	100%	
EFSG Limited (02971676) * [#>]	N/A	
The Loss Prevention Certification Board Limited (01907862)* [#]	100%	
Building Performance Group Limited (01573939)* [#]	100%	

* Held through Building Research Establishment Limited
[#] Dormant company
[##] Held through BRE Group Limited
[+] Held through BRE Global Limited
[>] Company limited by guarantee

All of the subsidiaries and associates are registered in England and Wales with the exception of BRE America Holdings Inc, BRE America LLC and Buildingwise LLC which are registered in the United States, BRE Canada which is registered in Canada, BRE China which is registered in China, BRE Global Assurance (Ireland) Limited which is registered in Ireland.

13 Debtors

	2021 £'000 Group	2021 £'000 Charity	2020 £'000 Group	2020 £'000 Charity
Trade debtors	6,965	-	7,939	3
Amounts recoverable on contracts	1,442	-	1,335	-
Amounts due from group undertakings	-	-	-	441
Other debtors	3,100	3	3,298	2
Social security and other taxes	862	-	-	-
Prepayments	1,127	-	2,354	9
	13,496	3	14,926	455

The loans to Group undertakings have been made to the Trust's subsidiary undertakings in accordance with the charitable objectives of the Trust. They are secured on the assets of that company with interest charged at 0.25% (2020: 0.25%) above base rate.

14 Creditors: amounts falling due within one year

	2021 £'000 Group	2021 £'000 Charity	2020 (restated) £'000 Group	2020 £'000 Charity
Deferred income	7,193	-	6,721	-
Trade creditors	3,330	17	3,111	34
Amounts due to group undertakings	-	125	-	-
Social security and other taxes	1,741	-	1,554	-
Corporation tax	362	-	(1)	-
Other creditors	728	2	1,190	-
Accruals	2,835	457	2,168	419
	16,189	601	14,743	453

Deferred income movement:

	£'000 Group	£'000 Charity
Balance at 1 April 2020 (restated)	6,721	-
Amount released in the year	(7,514)	-
Amount deferred in the year	7,986	-
Balance at 31 March 2021	7,193	-

Deferred income arises where services have been invoiced but the performance conditions in relation to part of the amount invoiced have not yet been met. Included in the amount for deferred income is an advance on grant funding and advancements provided by Innovate UK amounting to £2,037k (2020: £2,441k) which is repayable upon demand.

15 Provision for liabilities

Future amounts payable relating to:	Former Directors' Future liabilities £'000	Restructuring £'000	Post retirement future liabilities £'000	Litigation £'000	Total £'000
Group:					
At 1 April 2020	112	280	855	280	1,527
Utilised in the year	-	(264)	(123)	(280)	(667)
Charge to the Statement of Financial Activities	1	-	1,018	-	1,019
At 31 March 2021	113	16	1,750	-	1,879

The post retirement future liabilities is a provision made to reflect a liability to make future payments to ex-employees who were made redundant when over the age of 50 and have, under TUPE rules, translated part of their entitlement into an annual compensation payment payable for life.

Former directors' future liabilities is a provision made in respect of two previous directors of the Group who were provided with post-retirement benefits to match benefits received by other executives in the company who were on an enhanced executive category pension arrangement.

The litigation provision is made in respect of possible future litigation including all legal fees, prosecution costs and any other costs imposed or arising on contracts.

The timing of the cash outlays in respect of these provisions is uncertain but should not exceed £145k in the next financial year.

16 Reserves

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserves Restricted £'000	Capital Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2020 (restated)	14,860	(32,814)	10,257	(7,697)	9	1,040	255	1,304
Net income for the year	868	1,617	-	2,485	-	(247)	(33)	(280)
Actuarial (loss) recognised in defined benefit pension	-	(10,570)	-	(10,570)	-	-	-	-
Transfer between funds	(277)	-	-	(277)		277		277
At 31 March 2021	15,451	(41,767)	10,257	(16,059)	9	1,070	222	1,301

The transfer between funds in the year ended 31 March 2021 (£277k) relates to assets under the Victorian Terrace grant.

16 Reserves (continued) (restated)

Group	General Fund Unrestricted £'000	Pension Reserve Unrestricted £'000	Revaluation Reserve Unrestricted £'000	Total Unrestricted Reserves £'000	Other Reserve Restricted £'000	Capital Reserves Restricted £'000	Income Reserve Restricted £'000	Total Restricted Reserves £'000
At 1 April 2019	13,809	(48,899)	10,257	(24,833)	9	-	275	284
Net income for the year	1,051	1,312	-	2,363	-	1,040	(20)	1,020
Actuarial gain recognised in defined benefit pension	-	14,773	-	14,773	-	-	-	-
At 31 March 2020	14,860	(32,814)	10,257	(7,697)	9	1,040	255	1,304

The general fund is the amount of unrestricted funds after allowing for total fixed assets, any commitments not recognised in the accounts and all designated funds. The revaluation reserve is the value of unrestricted funds represented by the freehold land and buildings owned and used by the Group and its subsidiaries on an ongoing basis.

Charity	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000
At 1 April 2020	5,606	138	5,744
Net deficit for the year	(611)	-	(611)
At 31 March 2021	4,995	138	5,133

Charity	Unrestricted Funds	Restricted Funds	Total Funds
	£'000	£'000	£'000
At 1 April 2019	6,414	138	6,552
Net deficit for the year	(808)	-	(808)
At 31 March 2020	5,606	138	5,744

16 Reserves (continued)

The net deficit for the year of the Charity dealt with in the financial statements was £611k (2020: £808k deficit).

Restricted funds are used to promote sustainable approaches to relief, recovery and reconstruction after a natural disaster. Other restricted reserves relate to the PIA (payment in advance) on grant projects. Capital restricted reserves relate to fixed assets purchased restricted by grants under CIH. Income restricted reserves relate to the accumulated Statement of Financial Activities funds held by the individual Trust entity

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Restricted Reserve	Capital Restricted Reserve	Income Restricted Reserves	Total
	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000
Intangible	1,268	-	-	-	-	-	1,268
Tangible	9,874	-	10,257	9	1,070	-	21,210
Net current assets	6,188	-	-	-	-	222	6,410
Provisions	(1,879)	-	-	-	-	-	(1,879)
Pension scheme liability	-	(41,767)	-	-	-	-	(41,767)
	15,451	(41,767)	10,257	9	1,070	222	(14,758)

2020 Comparative (restated)

Analysis of Group net assets between funds	General Fund	Pension Reserve	Revaluation Reserve	Other Reserve	Capital Restricted Reserve	Income Restricted Reserves	Total
	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2020 £'000
Intangible	663	-	-	-		-	663
Tangible	11,201	-	10,257	9	1,040	-	22,507
Net current assets	4,523	-	-	-		255	4,778
Provisions	(1,527)	-	-	-		-	(1,527)
Pension scheme liability	-	(32,814)	-	-	-	-	(32,814)
	14,860	(32,814)	10,257	9	1,040	255	(6,393)

17 Cash flows from operating activities

	2021	2020 (restated)
	£'000	£'000
Net income	2,588	3,389
Adjustments for:		
Interest receivable	(4)	(5)
Depreciation, amortisation and impairment	2,495	1,890
Loss on disposal of fixed assets	25	28
Taxation	(383)	(6)
Pension and other finance costs	914	1,167
Pension deficit funding contributions	(2,531)	(2,479)
Movement in working capital:		
Decrease / (increase) in debtors	1,430	(939)
Increase in creditors	1,452	2,264
Increase / (decrease) in provisions	352	(242)
Taxation received/(paid)	(6)	(60)
Net cash from operating activities	6,332	5,007

18 Analysis of change in net funds

	At 1 April 2020	Cash flow	At 31 March 2021
	£'000	£'000	£'000
Cash at bank	4,658	4,445	9,103
Overdraft	(166)	166	-
Cash and cash equivalents	4,492	4,611	9,103

19 Pensions

The Group formerly operated two funded defined benefit pension schemes, one for the employees who transferred from LPC (the LPC Scheme) and one for other employees of the Trust and its subsidiaries who commenced employment before 31 December 2001 (the BRE Scheme). The BRE Pension Scheme was closed to future accrual at 28 February 2007 and the LPC scheme at 31 March 2009. The two schemes were merged together during the year ended 31 March 2016 forming the BRE and LPC Pension Scheme.

The Group established a defined contribution stakeholder scheme for employees who commenced employment after 1 January 2002. Members of the LPC and BRE defined benefit pension schemes have also been offered membership of this scheme on the same terms. The Group contributes up to 5% of salary so long as the members do the same. However, members can contribute a higher amount if they wish to do so. The pension cost for the year represents contributions payable by the Group to the scheme and amounted to £2,531k (2020: £2,479k) and scheme related expenses. All the pension costs relate to unrestricted funds and have been allocated between activities based on the level of income for the year.

19 Pensions (continued)

Contributions to the stakeholder scheme amounting to £182k (2020: £212k) were payable at 31 March 2021 and are included in creditors.

The assets of the defined benefit schemes are held separately from those of the Group, being invested with Ruffer, Schroders and the DRC Fund. The assets of the stakeholder scheme are invested with Scottish Widows.

Management charges of £449k (2020: £414k) were incurred in respect of the defined benefit scheme. Contributions to this scheme amounting to £213k (2020: £210k) were payable at 31 March 2021 and are included in creditors. Monthly contributions to the schemes are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

Under a 'recovery plan' agreed with the pension trustees (and submitted to the Regulator) the deficit on the BRE and LPC Pension Scheme is partially secured by a direct charge over the Garston site in favour of the pension fund.

The major assumptions used by the actuary were:

	Combined Scheme 2021 %pa	Combined Scheme 2020 %pa	Combined Scheme 2019 %pa
Rate of increase in salaries	2.40	1.90	2.10
Discount rate for calculation of benefits	2.10	2.60	2.45
Inflation (RPI)	3.10	2.50	3.15
Inflation (CPI)	2.40	1.90	2.10

In valuing the liabilities of the pension fund at 31 March 2021, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting an individual, on retirement, to live for a number of years as follows:

The BRE and LPC Pension Scheme

- Current pensioner aged 65: 20.5 years (male) and 23.3 (female)
- Future retiree (aged 45) upon reaching 65: 21.8 years (male) and 24.8 (female)

The assumptions used by the actuary are the Group's best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The asset valuations of the scheme at that date amounted to £91,692k (2020: £88,373k) for the combined BRE and LPC scheme. These amounts were sufficient to cover 69% (2020: 73%) of the benefits that had accrued to members.

19 Pensions (continued)

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long years and thus inherently uncertain, were:

	2021 £'000	2020 £'000
Present value of funded defined benefit obligations	(133,459)	(121,187)
Fair value of assets	91,692	88,373
Net deficit	(41,767)	(32,814)

Movements in present value of defined benefit obligation	2021 £'000	2020 £'000
At 1 April	121,187	132,554
Interest on obligation	3,096	3,191
Actuarial loss / (gain)	13,316	(9,948)
Benefits paid	(4,234)	(4,610)
Past service cost (incl. curtailments)	94	-
At 31 March	133,459	121,187

Movements in fair value of assets	2021 £'000	2020 £'000
At 1 April	88,373	83,655
Expected return on assets	2,276	2,024
Actuarial (loss)/gain	2,746	4,825
Contributions by employer	2,531	2,479
Benefits paid	(4,234)	(4,610)
At 31 March	91,692	88,373

Amounts recognised in the Consolidated Statement of Financial Activities

	2021 £'000	2020 £'000
Interest on defined benefit obligations	(3,096)	(3,191)
Expected return on assets	2,276	2,024
Past service cost (incl. curtailments)	(94)	-
Resources expended (included in other finance costs)	(914)	(1,167)

19 Pensions (continued)

	2021 £'000	2020 £'000
Actual return less expected return on assets	2,746	4,825
Experience gain on liabilities	4,014	63
Change in assumptions underlying the present value of the liabilities	(17,330)	9,885
Actuarial (loss) / gain	(10,570)	14,773

Assets

Actual return on the scheme assets during the year:

	2021 £'000	2020 £'000
Return on assets excluding interest	2,746	4,825
Interest income on assets	2,276	2,024
Actual return on scheme assts	5,022	6,849

In relation to the FRS102 disclosure no deferred tax has been provided on the net deficit of the scheme as no tax liabilities or benefits are expected to arise for the foreseeable future.

The Group expects to contribute approximately £2,593k to the defined benefit scheme in the next financial year.

20 Financial instruments

	2021 £'000 Group	2021 £'000 Charity	2020 £'000 Group	2020 £'000 Charity
Financial assets that are debt instruments measured at amortised cost	20,605	734	17,064	1,188
Financial liabilities measure at amortised cost	6,893	474	6,469	453

21 Leases

At 31 March 2021 the Group had future minimum lease payments under non-cancellable operating lease arrangements as follows:

During the year £371k was recognised as an expense in the Statement of Financial Activities in respect of operating leases (2020: £442k)

Plant and machinery expiring:	2021 £'000	2020 £'000
Not later than one year	72	80
Later than one year and not later than five years	54	80
	126	160

Land and Buildings expiring:	2021 £'000	2020 £'000
Not later than one year	220	208
Later than one year but not later than five years	555	456
Later than five years	335	417
	1,110	1,081

At 31 March 2021 the Group had expected future minimum lease receipts under non-cancellable operating leases as follows:

Future anticipated Lessor income	2021 £'000	2020 £'000
Not later than one year	774	848
Later than one year and not later than five years	1,004	1,438
Later than five years	198	221
	1,976	2,507

22 Related party transactions

Trustees and directors
Due to the nature of the Trust's operations and the composition of the Trustees (holding other executive and non-executive roles) from time to time transactions will take place with organisations in which a member of the Trustees may have an interest. All transactions involving organisations in which a member of the Trustees may have an interest are conducted at arm's length and in accordance with the Trust's financial regulations and normal sales or procurement procedures. Trustees are required to complete a declaration of interest each year.

22 Related party transactions (continued)

During the year the Group made use of the services of J. N. Solutions Limited to the value of £203,000 (2020: £118,000). Andrew Herbert is a director of J.N. Solutions. The amount outstanding at 31 March 2021 due to J, N. Solutions Limited was £26,000 (2020: £22,000).

During the year the Group provided services to Hyde Housing Association to the value of £nil (2020: £9,000). Piers White is a director of Hyde Housing Association. The unpaid balance outstanding at 31 March 2021 was £nil (2020: £nil).

Group companies

- Building Research Limited paid £1,094 interest on its intercompany loans with the Trust (2020: paid £6,543).
- The Trust paid £17,779 to Building Research Establishment Limited for work performed on research projects being undertaken by the Trust (2020: £84,611).
- The Trust paid £31,347 to BRE Global Limited for work performed on research projects being undertaken by the Trust (2020: £70,043).

At 31 March 2021 there were intercompany payables from the Trust amounting to £125k (2020: receivable to the Trust: £441k) outstanding between the Trust and its subsidiaries.

23 Prior year adjustment

It was identified that the capital grant relating to the CIH government grant had been deferred in Building Research Establishment Limited. As required under the SORP this income should be recognised on receipt in the Statement of Financial Activities on consolidation with the BRE Trust. This adjustment only affects restricted reserves, unrestricted reserves and creditors.

	2020 £'000
Restricted Reserves at 31 March 2020 (as previously stated)	255
Release of income previously deferred relating to year ended 31 March 2020	1,040
Reallocation with unrestricted reserves	9
Restricted reserves at 31 March 2020 as restated	1,304

	2020 £'000
Unrestricted Reserves at 31 March 2020 (as previously stated)	(7,688)
Reallocation with restricted reserves	(9)
Unrestricted reserves at 31 March 2020 as restated	(7,697)

23 Prior year adjustment (continued)

	2020 £'000
Total creditors at 31 March 2020 (as previously stated)	(15,783)
Release of income previously deferred at 31 March 2020	1,040
Total creditors at 31 March 2020 as restated	(14,743)

	2020 £'000
Total restricted loss for the year ended 31 March 2020 (as previously stated)	(20)
Release of income previously deferred at 31 March 2020	1,040
Total restricted income for the year ended 31 March 2020 as restated	1,020