

BRE TRUST
(A COMPANY LIMITED BY GUARANTEE)

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

31 MARCH 2025



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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BRE TRUST

FINANCIAL STATEMENTS

For the year ended - 31 March 2025

Registered office: Bucknalls Lane
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Bankers: Barclays Bank PLC
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London
E14 5HP

Independent Auditors: Crowe U.K. LLP
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

BRE TRUST

TRUSTEES' ANNUAL REPORT For the year ended 31 March 2025

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.

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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.

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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.

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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.

BRE TRUST

STRATEGIC REPORT

For the year ended 31 March 2025

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.

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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.

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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 £135 billion 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

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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

Emissions	Source	2024/25		2023/24		2022/23	
		MWh	tCO ₂ e	MWh	tCO ₂ e	MWh	tCO ₂ e
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	

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EmIR (kgCO ₂ e/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

¹One 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/m². 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 27,036m².

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.

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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.

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For the year ended 31 March 2025

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 Risks	Strategic	Key Mitigation(s)
Governance mechanism/structure		<ul style="list-style-type: none">• Aligned governance structure between the Trust and Group Board mechanism.• Quarterly Risk and Audit Committee.

BRE TRUST**STRATEGIC REPORT**

For the year ended 31 March 2025

Risk Management (cont.)

Key Strategic Risks	Key Mitigation(s)
Long term financial stability	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Relevant policies for career development and training.• Continuous performance development approach.
Regulatory non-compliance	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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.

BRE TRUST

STRATEGIC REPORT

For the year ended 31 March 2025

Risk Management (cont.)

Key Strategic Risks	Key Mitigation(s)
Challenges to operational delivery	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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.

BRE TRUST

STRATEGIC REPORT

For the year ended 31 March 2025

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.

BRE TRUST

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

BRE TRUST

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.

BRE TRUST

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

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.

BRE TRUST

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

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	Unrestricted Funds	Total Funds	Restricted Funds	Unrestricted Funds	Total Funds
		2025 £'000	2025 £'000	2025 £'000	2024 £'000	(restated) 2024 £'000	(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

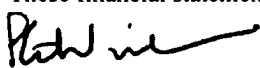
CONSOLIDATED AND COMPANY BALANCE SHEETS

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		<u>(4,839)</u>	<u>(7,474)</u>
Increase/(Decrease) in cash and cash equivalents in the year	18	<u>125</u>	<u>(296)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>10,791</u>	<u>11,087</u>
Cash and cash equivalents at the end of the reporting period		<u>10,916</u>	<u>10,791</u>

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

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

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
	<u>61,966</u>	<u>57,395</u>

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
	<u>2,354</u>	<u>1,868</u>

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2025

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
	<u>1,988</u>	<u>12,894</u>	<u>42,645</u>	<u>864</u>	<u>58,391</u>	<u>55,705</u>

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
	<u>660</u>	<u>4,276</u>	<u>14,177</u>	<u>287</u>	<u>19,400</u>	<u>22,656</u>

Included within Support costs are the following governance costs:

	2025 £'000	2024 £'000
<i>Auditor's remuneration:</i>		
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).

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

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
	<u>37,189</u>	<u>35,400</u>

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
	<u>597</u>	<u>593</u>

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

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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)
	<u>(1,877)</u>	<u>(1,410)</u>

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
<i>Current tax</i>		
UK corporation tax on profit for the year	-	-
Adjustment in respect of previous year	-	113
	<u>-</u>	<u>113</u>

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2025**8 Taxation (cont.)**

	2025	2024
	£'000	£'000
<i>Tax reconciliation</i>		
Profit on ordinary activities before tax	7,126	3,759
Tax using the UK corporation tax rate of 25% (2024: 25%)	1,782	940
<i>Effects of:</i>		
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

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2025**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	<u>11,931</u>	<u>3,948</u>	<u>497</u>	<u>16,376</u>
Amortisation				
At 1 April 2024	2,607	-	497	3,104
Charge for the year	610	-	-	610
On disposals	(12)	-	-	(12)
At 31 March 2025	<u>3,205</u>	<u>-</u>	<u>497</u>	<u>3,702</u>
Net book value				
At 31 March 2025	<u>8,726</u>	<u>3,948</u>	<u>-</u>	<u>12,674</u>
At 31 March 2024	<u>569</u>	<u>7,616</u>	<u>-</u>	<u>8,185</u>

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

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2025

10 Tangible fixed assets

Group	Freehold Land and Buildings £'000	Assets under construction £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'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.

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2025

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	<u>9,235</u>	<u>5,000</u>

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

11 Fixed asset investments (cont.)

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

	Building Research Establishment Limited 2025	BRE Global Limited 2025	Constructing Excellence Limited 2025	Ceequal Limited 2025	BRE China 2025	BRE Ireland 2025
	£'000	£'000	£'000	£'000	£'000	£'000
Summary profit and loss account						
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)

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

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) ^a	100%	Advisory services and information on building performance, construction and fire safety
BRE Global Limited (08961297) ^a	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) ^a	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

^aHeld 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.

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2025**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	-
	<u>20,626</u>	<u>-</u>	<u>17,918</u>	<u>-</u>

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
	<u>21,556</u>	<u>232</u>	<u>19,997</u>	<u>106</u>

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	<u>11,734</u>	<u>-</u>

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.

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2025**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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

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

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

16 Reserves (cont.)

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

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

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

17 Cash flows from operating activities

	2025 £'000	2024 £'000
Net income before tax	7,126	3,759
<i>Adjustments for:</i>		
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	<u>4,964</u>	<u>7,178</u>

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	<u>10,791</u>	<u>125</u>	<u>10,916</u>

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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.

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2025

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)

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

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)	<u>1,874</u>	<u>(5,723)</u>

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	<u>(4,024)</u>	<u>(3,361)</u>

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)

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

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

20 Leases (continued)

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

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
	<u>2,121</u>	<u>817</u>

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2025

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)	<u>5,497</u>	<u>4,359</u>
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)	<u>(1,138)</u>	