

Registered Company No. 9631202
Registered Charity No. 1163419

The Built Environment Trust

**Trustees' Report and
Consolidated Financial Statements
For the year ended 31 March 2022**

The Built Environment Trust

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The Built Environment Trust

Trustees and trust information Year ended 31 March 2022

Patron	HRH The Duke of Gloucester KG GCVO
President	Spencer de Grey CBE RA
Trustees	Richard Hill FCCA Klaus Bode Dr James Bradburne Antony Oliver Katy Ghahremani Susan Ann Allen MBE (Chair) (appointed 14 December 2021)
Chief Executive	Colin Tweedy LVO OBE
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Investment managers	Ruffer LLP 80 Victoria Street London SW1E 5JL
Bankers	Royal Bank of Scotland PLC Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN
Charity number	1163419
Company number	9631202
Principal office and registered office	26 Store Street London WC1E 7BT

REFERENCE AND ADMINISTRATIVE

The Trustees have pleasure in presenting their Report together with the financial statements for the year ended 31 March 2022.

The Built Environment Trust is a company limited by guarantee and a registered charity. It was incorporated on 9 June 2015 and registered with the Charity Commission on 4 September 2015. The Built Environment Trust continues the work of its predecessor charity, The Building Centre Trust.

The audited consolidated financial statements comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" FRS 102 published in October 2019 (SORP), the Charities Act 2011 and the Companies Act 2006. The financial statements combine the results of The Built Environment Trust and its wholly owned subsidiary, The Building Centre Group Limited.

OBJECTIVES AND ACTIVITIES

The Built Environment Trust supports people to build a better world.

Our mission statement

Our mission is to inspire, connect and empower people to improve the quality of our built environment. We recognise that the built environment shapes lives and communities and we are committed to involving all members of society as knowledgeable and active voices in determining how we construct our future.

Who we are

The Built Environment Trust is a charity which promotes and delivers education in relation to the built environment. Our aim is to improve the quality of the built environment by inspiring and educating people, both professionals and the general public, about its value to their lives and by supporting knowledge and practice in the world of building. The Built Environment Trust is an organisation which helps lead thought and action in respect to the built environment, in order to foster improved and sustainable practices.

What we do

The Built Environment Trust operates the Building Centre, a public exhibition centre. It has been home of the built environment since 1931. The Trust aims to advance understanding of quality in the built environment, physically and online, working with the leading partners across the construction industry and related areas. We achieve our objectives through a variety of activities and through partnership or support of others. Our activities include:

- Exhibitions and events
- Lectures and seminars
- Publications
- Providing facilities for those working in the built environment industry
- Encouraging and providing facilities for research and discussion

We gratefully acknowledge the assistance we received from external advisers and experts, and from companies and individuals who made voluntary contributions of time and materials.

ACHIEVEMENTS AND PERFORMANCE

The first major exhibition in the main galleries, *Shaping Space – Architectural Models Revealed* celebrated the role of architectural models in shaping the spaces we live in.

A collaboration between the V&A and the Building Centre, the show presented the world in miniature through a collection of over 60 historical and contemporary models revealing the evolution of architecture from the first maquette made as a tool for thinking, to a presentation model.

The exhibition, public programme and educational workshops were supported by the Arts and Humanities Research Council through Follow on Funding for Impact and Engagement. The exhibition, designed by Roz Barr, received warm praise in the press and on social media.

The Shaping Space public programme drew large audience numbers with over 400 students visiting via universities and colleges with 678 attending our curator tours and lectures. Our education and family programme included bridge building workshops with engineers Webb Yates and a Giant Doll's House workshop giving kids - including those from Care4Calais - the chance to model their own imagined spaces in shoe boxes. Over 100 Key Stage 2, 3 and 4 children from local high pupil premium schools benefitted from especially designed free workshops in the Centre and in school. Legacy material for teachers is now available on the Building Centre website.

Events took place online and in person and included a talk and small satellite exhibition at the V&A as part of the London Design Festival programme. An open call for architectural models received over 150 entries from practices worldwide. A series of short films were commissioned and form part of the exhibition's legacy material.

Shot by eight photographers, *Londons – The Polycentric City* exhibition mapped out the capital from eight different perspectives. Each photographer worked in a different location, in areas frequented by locals, especially during the lockdowns. The photography show drew a large audience and received positive reviews including those in the Financial Times and Dezeen.

As part of our ongoing collaboration with Timber Development UK we produced two exhibitions and a talks series during the last 6 weeks of 2021: the World of Wood Festival on display at the front of the Centre and the Wood Awards on the Platform. These commercially driven exhibitions draw large audiences for bespoke events including the Wood Awards prize giving ceremony.

While audiences were reticent to return to lecture spaces we initiated and hosted a series of online talks with the title Sustainability Sessions. The first series on Retrofit included talks by Piers Taylor of Invisible Studio and Tonkin Liu. Sustainability Sessions: Cities kicked off with Transforming Tirana with Deputy Mayor Anuela Ristani speaking about the positive change underway in Albania.

Two archival exhibitions marked our 90th anniversary, with images and stories drawn from the archive and our history mapped alongside the story of architecture in the UK. The 90 for 90 project documented 90 Years of the built environment by inviting industry and cultural leaders to pick a favourite building; works shared on a dedicated website and through social media.

PLANS FOR FUTURE PERIODS

Last year we reported that we were searching for a new Chair. On 14 December 2021, Ann Allen MBE was appointed Chair of the Trustees. Ann, a surveyor by training, is Director of Campus Innovation and Development at the University of Leeds.

2022 is the 91st year of the Building Centre. We celebrated the milestone of our first 90 years by launching our 90 selectors choosing their favourite built environment building, person or project – 90 for 90. It has been a runaway success and we will shortly be inviting the general public to select their favourite, from the 90 examples of what can make Britain proud of what we have achieved as a nation in the built environment, since our founders launched the Building Centre in 1931.

Our Trust was established in 1963, and in 2019 undertook a root and branch review of our mission, vision and activities going forward. Though the two year pandemic delayed the implementation of our plans, we are now rolling out our ambitious plans to be a thought leader. We will establish projects that will pioneer new ways of addressing the challenges facing the built environment community and how we can engage the general public. We aim to be a leader in educating the next generation in how the built environment affects all of us.

The Building Centre, the commercial arm of the Trust, has been in Store Street for 50 years this year. Our lease with the Corporation of London however comes to an end in 2025 and we are now looking for a new home that will fulfil our ambitions, not only for the Trust, but also for our commercial ambitions that have been fulfilled through the last 91 years by the Building Centre. These are challenging times globally and nationally to be starting on new projects and in a new home. But we are all excited by the challenges that lie ahead.

PUBLIC BENEFIT

The Trustees have complied with the duty in Section 4 of The Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The activities undertaken by the Trust are available to the public and to persons interested in the field of the built environment. All exhibitions held at the Building Centre are free of charge. Charges are made for certain seminars and events, but these charges are not at a level where it is considered that they would prevent access to anyone wishing to attend and the majority of talks are free to enter. The Trust supports a number of other organisations in order to make free access to events of benefit to the built environment. During the pandemic, when the building was shut to the general public, exhibitions and events went online and these were accessible to anyone, free of charge.

In this way, the Trust is providing public benefit in the field of education in accordance with its charitable objectives.

The Trust accepts that certain of its projects are of a specialist nature but these are well balanced by more general programmes such as its support to greater public access to exhibitions of the Building Centre. The Trust is keen to continue to be inclusive in promoting education to the largest number of individuals and organisations possible.

Report of the Trustees (continued)
Year ended 31 March 2022

FINANCIAL REVIEW

Impact of the pandemic

Due to social restrictions during much of 2021/22, there was a continuing impact on certain variable income streams, in particular income from the provision of facilities for conferences, talks and events. The contracted income from the provision of office and exhibition space continued to support the organization through another challenging year. We took advantage of coronavirus business support initiatives where they were available and continued with our policy of strong financial management.

Overview of consolidated Statement of Financial Activities (page 16)

The Built Environment Trust has a wholly owned subsidiary, the Building Centre Group Ltd, which undertakes both charitable and commercial activities. The subsidiary's income and expenditure are shown separately in the consolidated Statement of Financial Activities (SOFA). The income and expenditure from charitable activities in the SOFA, relates solely to Trust activities.

In the year ended 31 March 2022 the total consolidated income was £2,119,821, an increase of 3.5 % from last year's total of £2,046,852. The reasons for this are referenced below.

Over the same period, the total consolidated expenditure was £2,747,819, an increase of 22% over last year's total of £2,243,958. The reasons for this are referenced below.

As a result, the net consolidated expenditure, before including gains on investments, actuarial gains on the pension scheme valuation, and corporation tax arising in the subsidiary company, was £627,998 compared to net consolidated expenditure of £197,106 in the prior year.

The investment portfolio has continued to perform well with net gains on investments of £207,565 (2021: net gains of £674,566). The subsidiary company incurred a corporation tax credit of £54,026 (2021: credit of £6,947).

There was a net actuarial gain on the defined benefit pension scheme of £348,700 (2021: net actuarial loss of £128,720).

Overall, there was a net decrease in consolidated funds of £17,707 for the year (2021: net increase in funds of £355,687).

Income

Income is generated from three main sources: being trading income from the subsidiary company, income from charitable activities and investment income.

Income generated in the subsidiary company and included in the consolidated SOFA, was 4% higher than last year at £1,810,558 (2021: £1,735,958). This represents little change from the income levels of the previous year, with the pandemic continuing to impact on variable income streams. The income stream most significantly affected was income from the provision of facilities for conferences, talks and events, with income of £95k in 2021/22. This was an increase of £90k over 2021, but still a significant decrease of approximately £400k on 2020 levels. The trend in the various income streams of the company can be seen in the last table of note 5 in the accounts.

Report of the Trustees (continued)
Year ended 31 March 2022

FINANCIAL REVIEW continued

Income (continued)

Income from charitable activities was at similar levels to last year at £272,041 (2021: £292,680), with income generation continuing to be challenging.

Expenditure

Expenditure incurred in the subsidiary company and included in the consolidated SOFA, increased by 20% to £2,003,324 from £1,674,041. Expenditure relates to the provision of exhibition and office space, information services and facilities for conferences, talks and events. The closure of the Building Centre to the public for much of 2020/21 enabled the running costs of the Building Centre to be reduced during that year. There were also exceptional credits to expenditure in the prior year in respect to rent, pension scheme deficit contributions and rates. In 2021/22, as the Centre reopened, building running costs began to return to normal levels. Tight financial control continued to be exercised over discretionary expenditure.

Charitable expenditure incurred directly by the Trust increased by 32% to £705,433 (2021: £535,044), which was back to pre-pandemic levels.

Reserves policy and management

Reserves are maintained at a level that enables the Trust to manage financial risk and short-term income volatility and provide a stable base for the Trust's continuing charitable activities. The reserves policy takes into consideration commitments over the medium term in respect of the Trust's property obligations under its lease and reserves have been designated for this purpose.

The level of free reserves (calculated as the total reserves in the Trust excluding tangible fixed assets and investment in its subsidiary) decreased to £4,345,156 at 31 March 2022 from £4,552,495 at 31 March 2021. Of the free reserves, £2,000,000 has been designated as a property fund.

The Trustees have reviewed the level of free reserves after transfers to designated funds and have determined that it can be reduced, so that it exceeds six months expenditure rather than twelve months expenditure as previously.

Undesignated free reserves at 31 March 2022 amounted to £2,345,156 (2021: £2,552,495) which exceeds six months budgeted expenditure of £800,000 for the year ended 31 March 2023.

Investment policy and performance

The investment policy supports the reserves policy. The Trust seeks to adopt a cautious, prudent and diversified approach to balance potential returns with appropriate levels of risk.

The management of the Trust's investments is undertaken by Ruffer LLP with the aim of increasing the value of portfolios, after fees, at a higher rate than would be achieved by placing cash on deposit. A review of the investment strategy and financial performance is reported to the Trustees quarterly. The trustees were pleased with the investment performance over the year. The portfolio valuation increased to £3,857,777 at 31 March 2022 from £3,688,841 at 31 March 2021

FINANCIAL REVIEW (continued)

The Building Centre Group Pension and Assurance Scheme

In accordance with accounting standards, the consolidated financial statements of The Built Environment Trust include adjustments relating to the defined benefit pension scheme. The pension scheme was in deficit at the end of last financial year. This deficit has decreased during the year ended 31 March 2022. The directors of The Building Centre Group Limited and the trustees of the pension scheme have agreed a recovery plan for the elimination of the deficit by 2028.

Going concern

The Trustees have reviewed the Trust's financial position, taking account of the satisfactory levels of reserves and cash. The Trustees believe that the Charity is well placed to manage operational and financial risks successfully.

The impact of the pandemic on certain income streams continued for the whole of the financial year ending 31 March 2022. Although there is still some uncertainty over the level of demand for physical events, our exhibition launch in the Spring attracted record numbers of people which demonstrates that there is a latent demand for social and networking events. It is also pleasing to report that there has been a significant increase in the level of enquiries and bookings for venue hire since the beginning of the current financial year.

At 31 March 2022 there were consolidated net current assets of £1,367,561. With the careful monitoring and management of cash flow, the projected cash flow information for the period ending 12 months from the date of approval of these financial statements indicate that both the Trust and the Company will be able to cover liabilities as they fall due for payment. Accordingly, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. The Trustees continue to adopt the going concern basis of accounting in preparing the annual accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management

The Trustees are responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the major risks to which the Charity is exposed.

At least once a year, a risk review is undertaken and the risks identified through this process are documented in a risk register. The principal risks and uncertainties facing the Trust and its subsidiary company are as follows:

1. Covid-19 pandemic

Risk – The financial challenges brought about by coronavirus restrictions continue to impact on the organisation as our stakeholders adapt to new ways of working. However, there is a noticeable upturn in demand for physical events since the year end.

Management – Our team at the Building Centre are resuming physical events in the Centre and are cautiously positive about the future. Costs are still being tightly controlled and cashflow managed to minimise any negative financial impact.

FINANCIAL REVIEW (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

2. Store Street

Risk – Our lease for 26/27 Store Street with The Corporation of London, our landlord for 50 years, is coming to an end in October 2025. The Trust will need to find a new home.

Management – The Trust has commissioned agents to research properties that can enable the Centre and the Built Environment Trust to not only continue our work to support the built environment community, but also to take on new projects that reflect the changing needs of our industry and the interests of the general public.

3. The defined benefit pension scheme

Risk - The defined benefit pension scheme is currently in deficit. The additional funding requirements may place significant pressure on cash flow in the future.

Management- There is good communication between the directors of The Building Centre Group Limited and the Trustees of the Pension Scheme. A recovery plan is currently in place and will be reviewed regularly in line with the triennial actuarial valuation.

4. Inflation

Risk – Our overhead cost base increases at a higher rate than originally anticipated, impacting on profitability and cash flow.

Management - A significant proportion of our overhead cost base is fixed for the short term. For all other costs, these will be reviewed and managed to the best of our ability, whilst being sensitive to the impact of rising costs on our employees and other stakeholders. Discretionary expenditure will be tightly controlled.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and management

The Built Environment Trust has a wholly owned subsidiary company, The Building Centre Group Limited, which undertakes both primary purpose charitable trading activities as well as commercial trading.

The Built Environment Trust is governed by a Board of Trustees who set strategic direction, ensure that the Trust achieves its objectives and oversee governance.

The day-to-day management and administration of the Trust is delegated to the Chief Executive, Colin Tweedy, and his executive team.

Remuneration policy

All staff, including key management personnel, are employed by The Building Centre Group Limited. In setting remuneration levels, the directors have regard to pay in organisations which employ individuals with similar skills, competences and qualifications. The remuneration of key management personnel is authorised by the non-Executive Chair of The Building Centre Group Limited and the Chair of The Built Environment Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees

All Trustees are members of the charity and directors of the charitable company. The Trustees must hold at least three meetings a year.

Trustees are appointed for an initial period of 3 years that can be extended for two further three year terms. The Articles of Association provide for the number of Trustees to be between three and ten. The current Trustees are shown on page 1.

The following changes to trustees have taken place during the year:

William James Furber (resigned on 25 April 2021)

Susan Ann Allen (appointed on 14 December 2021)

Recruitment of new trustees is based upon identifying people with skills in specific areas to ensure that there is appropriate experience on the Board. They are recruited primarily from built environment related industries. Each Trustee undertakes an induction programme that includes governance and financial documentation and meetings with the Chief Executive and members of the management team.

FUNDRAISING

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The charity does not actively raise funds or solicit donations directly from the general public. The Charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during the period

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also directors of The Built Environment Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 Statement of Recommended Practice "Accounting and Reporting by Charities" FRS 102 published in October 2019 (SORP)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

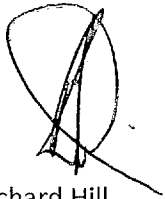
In the case of each Trustee in office at the date the Trustees' Report is approved:

- So far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- They have taken all the steps they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

INDEPENDENT AUDITORS

Saffery Champness LLP have expressed their willingness to remain in office.

The Trustees have taken advantage of the small companies' regime in preparing the Report of the Trustees.
The Report of the Trustees was signed on behalf of the Trustees by:

A handwritten signature in black ink, appearing to be 'Richard Hill', written over a circular stamp or seal.

Richard Hill
Trustee

22 September 2022

Independent auditors' report to the trustees (continued)
For the year ended 31 March 2022

Opinion

We have audited the financial statements of the Built Environment Trust for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated and Trust balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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 course of 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

Independent auditors' report to the trustees (continued)
For the year ended 31 March 2022

in the financial statements themselves. 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.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- the group or parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Report of the Trustees and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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 the 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 and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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

Independent auditors' report to the trustees (continued)
For the year ended 31 March 2022

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Independent auditors' report to the trustees (continued)
For the year ended 31 March 2022

Use of our report

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



Cara Turtington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

22 September 2022

71 Queen Victoria Street
London
EC4V 4BE

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Built Environment Trust

Consolidated statement of financial activities
For the year ended 31 March 2022
(Incorporating an income and expenditure account)

	Notes	2022 £	2021 £
Income from:			
Legacies	3	-	-
Charitable activities	4	272,041	292,680
Other trading activities			
Income generated in subsidiary company	5	1,810,558	1,735,958
Investments		37,222	18,214
Total income		2,119,821	2,046,852
Expenditure on:			
Charitable activities	6	705,433	535,044
Raising funds			
Expenditure incurred in subsidiary company	5	2,003,324	1,674,041
Investment management costs		39,062	34,873
		2,042,386	1,708,914
Total expenditure		2,747,819	2,243,958
Net gains/(losses) on investments		207,565	674,566
Net (expenditure)/income before taxation and other recognised gains and losses	7	(420,433)	477,460
Taxation	8	54,026	6,947
Net (expenditure)/income after taxation and before other recognised gains and losses		(366,407)	484,407
Other recognised gains/(losses)			
Actuarial gain/(loss) on defined benefit pension scheme		373,000	(131,000)
Deferred tax relating to pension scheme		(24,300)	2,280
Net movement in funds		(17,707)	355,687
Reconciliation of funds			
Total funds brought forward 1 April 2021		4,063,464	3,707,777
Total funds carried forward 31 March 2022	15	4,045,757	4,063,464

The notes and accounting policies on pages 19 to 36 form part of these accounts.
All of the Trust's funds are unrestricted.

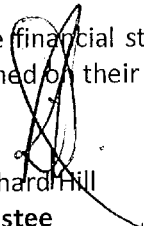
The Built Environment Trust

Balance sheets At 31 March 2022

	Notes	Consolidated		Trust	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets					
Tangible assets	10	127,258	274,619	-	605
Investments	11	3,857,777	3,688,841	3,857,777	3,688,841
Investments in subsidiaries	11	300	300	950,000	950,000
		<u>3,985,335</u>	<u>3,963,760</u>	<u>4,807,777</u>	<u>4,639,446</u>
Current assets					
Debtors	12	925,910	848,350	384,343	403,858
Cash at bank and in hand		1,283,945	1,924,665	575,580	939,687
		<u>2,209,855</u>	<u>2,773,015</u>	<u>959,923</u>	<u>1,343,545</u>
Creditors: amounts falling due within one year	13	(842,294)	(820,485)	(472,544)	(479,891)
		<u>1,367,561</u>	<u>1,952,530</u>	<u>487,379</u>	<u>863,654</u>
Net current assets					
Total assets less current liabilities		<u>5,352,896</u>	<u>5,916,290</u>	<u>5,295,156</u>	<u>5,503,100</u>
Deferred taxation	14	(2,139)	(7,826)	-	-
Defined benefit pension scheme liability	17	(1,305,000)	(1,845,000)	-	-
		<u>4,045,757</u>	<u>4,063,464</u>	<u>5,295,156</u>	<u>5,503,100</u>
Net assets					
Funds					
Unrestricted funds	15	5,024,507	5,557,914	5,295,156	5,503,100
Defined benefit pension scheme deficit	15	(978,750)	(1,494,450)	-	-
		<u>4,045,757</u>	<u>4,063,464</u>	<u>5,295,156</u>	<u>5,503,100</u>
Total funds	15				

No separate company Statement of Financial Activities (SOFA) has been prepared by the Charity as permitted by section 408 Companies Act 2006. The charitable company's income for the year was £928,986 (2021: £807,914) and the deficit for the year was £207,944 (2021: surplus of £435,106).

The financial statements on pages 16 to 36 were approved by the Trustees on 22 September 2022 and signed on their behalf by:


Richard Hill
Trustee

Company registration number: 9631202

The Built Environment Trust

Consolidated statement of cash flows
For the year ended 31 March 2022

Statement of cash flows	2022 £	2021 £
Net cash used in operating activities	(710,482)	(107,441)
Cash flows from investing activities		
Investment income	37,222	18,214
Purchase of tangible fixed assets	(16,054)	(23,002)
Proceeds from the sale of investments	1,702,135	1,099,753
Purchase of investments	(1,663,506)	(1,066,654)
Net cash provided by investing activities	59,797	28,311
Corporation tax received	9,965	-
Change in cash and cash equivalents in the year	(640,720)	(79,130)
Cash and cash equivalents at 1 April	1,924,665	2,003,795
Cash and cash equivalents at 31 March	1,283,945	1,924,665
Reconciliation of net income to net cash flow from operating activities	2022 £	2021 £
Net (expenditure)/income for the reporting period as per the statement of financial activities	(420,433)	477,460
Adjustments for		
Investment income	(37,222)	(18,214)
Depreciation charges	163,415	172,098
(Gains)/losses on investments	(207,565)	(674,566)
(Increase)/decrease in debtors	(63,486)	87,186
Increase/(decrease) in creditors	21,809	(32,405)
Pension gains recognised in SOFA excluding actuarial gain	(167,000)	(119,000)
Net cash used in operating activities	(710,482)	(107,441)
Analysis of cash and cash equivalents	2022 £	2021 £
Cash at bank and on instant access deposit accounts	1,283,945	1,924,665
Analysis of changes in net debt	At 1 April 2021 £	Cashflows £
Cash and cash equivalents	1,924,665	(640,720)
		At 31 March 2022 £
		1,283,945

1. Accounting policies

1.1 Basis of preparation

These accounts have been prepared in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102) and with the second edition of the Statement of Recommended Practice “Accounting and Reporting by Charities” FRS 102 published in October 2019 (SORP) together with the reporting requirements of the Companies Act 2006 and the Charities Act 2011. The Charity has adapted the Companies Act formats to reflect the SORP.

The accounts have been prepared under the historical cost convention, as modified by the revaluation of listed investments.

1.2 Going concern

The accounts have been prepared on the going concern basis. The Trustees have reviewed the Trust’s financial position, taking account of the satisfactory levels of reserves and cash. Although 2021/22 has been a challenging year for the organisation, as it continues to deal with the impact of the pandemic, the Trustees believe that the Charity is well placed to manage operational and financial risks successfully.

At 31 March 2022 there were consolidated net current assets of £1,367,561. With the careful monitoring and management of cash flow, the projected cash flow information for the period ending 12 months from the date of approval of these financial statements indicate that both the Trust and the Company will be able to cover liabilities as they fall due for payment. Accordingly, the Trustees have a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. The Trustees continue to adopt the going concern basis of accounting in preparing the annual accounts.

The Charity is a public benefit entity. The accounting policies have been applied consistently throughout the accounts and the prior year.

1.3 Basis of consolidation

The consolidated accounts combine the results of The Built Environment Trust with its wholly owned subsidiary undertaking, The Building Centre Group Limited (Company No. 746150), on a line by line basis. In the consolidated accounts uniform accounting policies have been used. Consolidation adjustments have been made to remove transactions between the two entities and inter-entity balances have been cancelled. The consolidated entity is referred to as “the Group”.

1.4 Incoming resources

Incoming resources are accrued and included in the SOFA when the Group is entitled to the income, receipt can be quantified and is probable. Incoming resources are deferred when they relate to future accounting periods.

1.5 Legacies

Legacies are recognised when probate is granted and there is sufficient information to value them.

Accounting policies (continued)

1.6 Resources expended

All expenditure is accounted for on an accruals basis. Direct costs are those specifically related to producing the output of an activity. Support costs not attributable to a single activity are allocated on an appropriate basis such as headcount or staff time.

1.7 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. Depreciation is provided so as to write off the cost of fixed assets on a straight line basis over their expected useful lives, as follows:

6% - 29%	Leasehold property improvements
10% - 25%	Assets purchased for exhibition purposes
10% - 20%	Fixtures, fittings, furniture and equipment
25% - 33%	Computer equipment

Fixed assets are subject to a review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs in the corresponding SOFA category.

1.9 Investments

Listed investments are stated at fair value. The SOFA includes realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments.

Investments in group companies are included at cost less provision for any permanent diminution in value.

1.10 Financial instruments

The group has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

1.11 Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the Trust's charitable objectives. A pension scheme deficit is included within the unrestricted funds to reflect the defined benefit pension scheme liability. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the Trustees.

1. Accounting policies (continued)

1.12 Pensions

For the defined benefit pension scheme, pension scheme assets and liabilities are recorded in line with FRS 102, with scheme valuations undertaken by an independent actuary. FRS 102 measures the value of pension scheme assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities.

Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities.

The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised in the consolidated statement of financial activities within actuarial gains/losses on defined benefit pension scheme.

1.13 Taxation

The Built Environment Trust is a registered charity and is exempt from UK income tax and corporation tax on charitable activities. The Trust is registered for VAT.

The subsidiary company is liable to corporation tax on its profits, based on taxable profit for the year. Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

2. Critical accounting judgements and sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical evidence and other factors

2.1 Critical judgements in applying the entity's accounting policies

There are no critical accounting judgements in 2022 and 2021.

2.2 Critical accounting estimates and assumptions

Defined benefit pension scheme

The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the balance sheet. The assumptions reflect historical experience and current trends. The valuation is particularly sensitive to the impact of the discount rate assumption on Scheme liabilities. See Note 17 for the disclosures relating to the defined benefit scheme.

3. Legacy income

Legacy income is not recognised until The Built Environment Trust has entitlement to the funds, the amount can be quantified and there is probability of receipt. No legacies were recognised in the year ended 31 March 2022 (2021: £nil)

4. Income from charitable activities

	2022 £	2021 £
Educational events and exhibitions	45,099	75,476
Provision of space to built environment organisations	226,942	217,204
	272,041	292,680

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

5. **Subsidiary trading company**

The Building Centre Group Limited, The Built Environment Trust's wholly owned trading subsidiary, incorporated in England and Wales, engages in both primary purpose and non-primary purpose trading activities. A summary of the audited income statement of the Building Centre Group Limited for the year ended 31 March 2022 is shown below. These figures do not agree to the figures on page 16 due to the impact of consolidation adjustments.

	2022 £	2021 £
Income	2,246,935	2,169,639
Expenditure	(2,459,424)	(2,127,285)
	(212,489)	42,354
Taxation	54,026	6,947
Charitable donation under gift aid	-	-
	(158,463)	49,301

The assets and liabilities of The Building Centre Group Limited consolidated within the balance sheet are:

	2022 £	2021 £
Assets	1,479,291	1,877,599
Liabilities	(475,917)	(524,462)
Defined benefit pension scheme liability	(1,305,000)	(1,845,000)
	(301,626)	(491,863)

Subsidiary company income analysis

	2022 £	2021 £
Income from		
Provision of exhibition and office space	1,634,168	1,596,314
Information services	121,462	140,315
Facilities for conferences, talks and events, café income	172,848	4,736
Other	316,361	373,097
Coronavirus job retention scheme income	2,096	55,177
	2,246,935	2,169,639

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

6. Costs of charitable activities

	Direct costs £	Salary costs £	Support costs £	2022 Total £
Educational events and exhibitions	284,390	183,696	115,333	583,419
Provision of space to built environment organisations	109,200	-	12,814	122,014
	<u>393,590</u>	<u>183,696</u>	<u>128,147</u>	<u>705,433</u>

Support costs have been allocated on a headcount basis

	Events and exhibition £	Provision of space £	2022 Total £
Governance and strategy	83,270	9,252	92,522
Management and administration	32,063	3,562	35,625
Roof repairs	-	-	-
	<u>115,333</u>	<u>12,814</u>	<u>128,147</u>

Prior year comparative figures

	Direct costs £	Salary costs £	Support costs £	2021 Total £
Educational events and exhibitions	86,042	266,131	88,945	441,118
Provision of space to built environment organisations	89,244	-	4,682	93,926
	<u>175,286</u>	<u>266,131</u>	<u>93,627</u>	<u>535,044</u>

	Events and exhibition £	Provision of space £	2021 Total £
Governance and strategy	32,514	1,712	34,226
Management and administration	31,981	1,684	33,665
Roof repairs	24,450	1,286	25,736
	<u>88,945</u>	<u>4,682</u>	<u>93,627</u>

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

7. Net (expenditure)/income for the year

	2022 £	2021 £
This is stated after charging/(crediting):		
Depreciation charge	163,415	172,098
Gain on disposal of fixed assets	-	-
Rentals payable under operating leases		
- Land and buildings	600,000	477,457
Auditors remuneration for external audit services		
- Trust	7,675	6,850
- Subsidiary	12,000	10,800
Auditors remuneration for non-audit services		
- Trust	1,350	-
- Subsidiary	4,750	21,050

8. Taxation

The Built Environment Trust is a registered charity and is not liable to United Kingdom income tax or corporation tax on charitable activities. The subsidiary company is liable to corporation tax on its profits, as set out below:

	2022 £	2021 £
<i>Domestic current year tax</i>		
UK corporation tax charge/(credit)	(48,339)	13,230
Adjustment for prior years	-	-
Total current tax	(48,339)	13,230
<i>Deferred tax</i>		
Deferred tax (credit)/charge	(5,687)	(20,177)
(Credit)/Charge to statement of financial activities	(54,026)	(6,947)

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

9. Employees and Trustees

	2022 £	2021 £
Salaries and wages	827,651	797,899
Social security costs	88,763	84,685
Pension costs (including operating costs of defined benefit pension scheme)	151,102	133,416
	<u>1,067,516</u>	<u>1,016,000</u>

The average number of employees, calculated on an average headcount, analysed by function was

	2022 Number	2021 Number
Provision of exhibition and office space and events	7	7
Information services	4	5
Facilities for conferences, talks and events	1	-
Support services	2	2
	<u>14</u>	<u>14</u>

Number of employees whose benefits (excluding employer pension contributions) fell within the following bands:

	2022 Number	2021 Number
£60,000 to £69,999	1	-
£70,000 to £79,999	-	-
£80,000 to £89,999	2	2
£90,000 to £99,999	1	1
£100,000 to £109,999	1	1

The total emoluments of key management personnel (being the executive directors) was £ 202,542 (2021: £202,040) excluding pension contributions and £229,717 (2021: £229,215) including pension contributions.

No Trustee received remuneration from the Group during the year (2021: nil). Travel expenses incurred by trustees for attending meetings, and reimbursed, amounted to £3,872 (2021: £nil). As permitted by the Articles of Association, the Charity purchased and maintained throughout the year Trustees and Officers liability insurance in respect of itself and its Trustees.

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

10. Tangible fixed assets

a) Consolidated

	Property improvements £	Furniture fittings and equipment £	Total £
Cost or valuation			
1 April 2021	3,243,920	620,877	3,864,797
Additions	2,265	13,789	16,054
31 March 2022	3,246,185	634,666	3,880,851
Depreciation			
1 April 2021	3,101,387	488,791	3,590,178
Charge for year	94,199	69,216	163,415
31 March 2022	3,195,586	558,007	3,753,593
Net book value			
31 March 2022	50,599	76,659	127,258
31 March 2021	142,533	132,086	274,619

b) Trust

	Furniture fittings and equipment £	Total £
Cost or valuation		
At 1 April 2021 and 31 March 2022	12,099	12,099
Depreciation		
1 April 2021	11,494	11,494
Charge for year	605	605
31 March 2022	12,099	12,099
Net book value		
31 March 2022	-	-
31 March 2021	605	605

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

11. Fixed asset investments	2022 £	2021 £
a) Listed investments		
Consolidated and Trust		
Market value		
1 April 2021	3,688,841	3,047,374
Additions	1,663,506	1,066,654
Disposals	(1,702,135)	(1,099,753)
Realised and unrealised gains/(losses) on revaluation	207,565	674,566
Market value at 31 March 2022	3,857,777	3,688,841
Historical cost at 31 March 2022	3,244,208	3,088,461
Listed investments		
Fixed interest securities	1,236,288	1,032,412
Equity shares	1,339,120	1,510,543
Investment companies	91,778	86,948
Other	974,087	855,118
	3,641,273	3,485,021
Cash awaiting investment	216,504	203,820
Market value at 31 March 2022	3,857,777	3,688,841

The following investments in individual holdings at 31 March 2022 represented a material holding in the consolidated portfolio:

	Market value at 31 Mar 2022 £	Proportion of portfolio £
Ruffer SICAV Fixed Income Z GBP Dis	566,331	14.7%
Ruffer Illiquid Multi Strategies Fund 2015 Limited	327,036	8.5%
LF Ruffer Gold C Acc	220,173	5.7%

Geographical analysis	Market value at 31 Mar 2022 £	Market value at 31 Mar 2021 £
In the United Kingdom	1,308,878	1,071,808
Outside the United Kingdom	2,548,899	2,617,033
	3,857,777	3,688,841

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

11. Fixed asset investments (continued)

b) Unlisted investments

	2022 £	2021 £
Consolidated		
£1 Ordinary shares	300	300
Unlisted investments at cost	<u>300</u>	<u>300</u>

At 31 March 2022, the Building Centre Group Limited owned 100% of the share capital of three dormant subsidiary undertakings: Centre for the Built Environment Limited (Company No. 13119942), London Centre for the Built Environment Limited (Company No. 13119958) and National Centre for the Built Environment Limited (Company No. 13120233), none of which is actively trading. The share capital of each entity is £100. The dormant subsidiaries are not consolidated into these financial statements.

	2022 £	2021 £
The Trust		
£1 Ordinary shares	800,000	800,000
Preference shares	150,000	150,000
Unlisted investments at cost	<u>950,000</u>	<u>950,000</u>
Cost		
At 1 April 2021	950,000	950,000
Disposals	-	-
Revaluation	-	-
At 31 March 2022	<u>950,000</u>	<u>950,000</u>

The unlisted investments represent the Trust's investment in its trading subsidiary, The Building Centre Group Limited (see Note 5).

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

12. Debtors

	Consolidated		Trust	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	45,532	37,594	14,400	270
Due from subsidiary undertakings	-	-	101,801	173,815
Other debtors	48,339	88,327	-	78,362
Prepayments and accrued income	505,789	371,879	268,142	151,411
	<u>599,660</u>	<u>497,800</u>	<u>384,343</u>	<u>403,858</u>
Amounts falling due after one year				
Deferred tax asset – pension scheme deficit (see note 14)	326,250	350,550	-	-
	<u>925,910</u>	<u>848,350</u>	<u>384,343</u>	<u>403,858</u>
Total debtors				

13. Creditors

	Consolidated		Trust	
	2022	2021	2022	2021
	£	£	£	£
Amounts due within one year				
Trade creditors	294,769	302,547	259,398	267,362
Due to subsidiary undertakings	300	300	-	-
Other creditors	19,153	16,529	-	-
Other taxes and social security	63,790	51,828	(17,682)	(18,356)
Corporation tax	-	-	-	-
Accruals	126,704	112,732	24,202	22,909
Rental and exhibition income in advance	337,578	336,549	206,626	207,976
	<u>842,294</u>	<u>820,485</u>	<u>472,544</u>	<u>479,891</u>

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

14. Deferred taxation

	Consolidated		Consolidated	
	2022	2022	2021	2021
	Pension	Accelerated	Pension	Accelerated
	scheme	Capital	scheme	Capital
	deficit	allowances	deficit	allowances
	£	£	£	£
Deferred tax asset				
Balance at 1 April 2021	350,550	(7,826)	348,270	(28,003)
Movement in year	(24,300)	5,687	2,280	20,177
Balance at 31 March 2022	326,250	(2,139)	350,550	(7,826)

15. Reserves

Consolidated	General	Designated	Pension	Total
	funds	funds	deficit	unrestricted
	£	£	£	funds
	£	£	£	£
Unrestricted funds at 1 April 2021	3,557,914	2,000,000	(1,494,450)	4,063,464
Income and gains	2,730,112	-	-	2,730,112
Expenditure and losses	(2,747,819)	-	-	(2,747,819)
Transfers	(515,700)	-	515,700	-
Unrestricted funds at 31 March 2022	3,024,507	2,000,000	(978,750)	4,045,757

The consolidated unrestricted funds includes a deficit in the limited company subsidiary, excluding the pension scheme deficit, which totals £272,876.

	General	Designated	Pension	Total
	funds	funds	deficit	unrestricted
	£	£	£	funds
	£	£	£	£
Unrestricted funds at 1 April 2020	3,192,507	2,000,000	(1,484,730)	3,707,777
Income and gains	2,728,365	-	-	2,728,365
Expenditure and losses	(2,372,678)	-	-	(2,372,678)
Transfers	9,720	-	(9,720)	-
Unrestricted funds at 31 March 2021	3,557,914	2,000,000	(1,494,450)	4,063,464

The consolidated unrestricted funds includes a surplus in the limited company subsidiary, excluding the pension deficit, which totals £52,587.

The Built Environment Trust

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

15. Reserves

Trust

	General funds	Designated funds	Total unrestricted funds
	£	£	£
Unrestricted funds at 1 April 2021	3,503,100	2,000,000	5,503,100
Income and gains	1,136,551	-	1,136,551
Expenditure and losses	(1,344,495)		(1,344,495)
Transfers	-		-
Unrestricted funds at 31 March 2022	3,295,156	2,000,000	5,295,156

	General funds	Designated funds	Total unrestricted funds
	£	£	£
Unrestricted funds at 1 April 2020	3,067,994	2,000,000	5,067,994
Income and gains	1,482,480	-	1,482,480
Expenditure and losses	(1,047,374)	-	(1,047,374)
Transfers	-	-	-
Unrestricted funds at 31 March 2021	3,503,100	2,000,000	5,503,100

The designated funds relate to a property fund, which are reserves earmarked for general premises protection including repairs, potential dilapidation costs and future proofing. The property fund relates to the medium term.

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

16. Operating lease commitments

The total of future minimum lease payments under non-cancellable operating leases is as follows:

	2022 Land and buildings £	2022 Equipment £	2021 Land and buildings £	2021 Equipment £
Within one year	600,000	13,056	600,000	12,480
In two to five years	600,000	18,936	900,000	14,270
In over five years	-	-	-	-
	<u>1,200,000</u>	<u>31,992</u>	<u>1,500,000</u>	<u>26,750</u>

17. Pension costs

During the year, the subsidiary company operated a defined benefit pension scheme and a defined contribution pension scheme for employees.

The Building Centre Group Limited Pension and Assurance Scheme (the defined benefit Scheme), is now closed to new entrants. During the year, the Scheme was closed to future accrual following the retirement of the last active member.

Defined benefit pension scheme

In line with normal practice, there are two bases for assessing the value of the assets and liabilities of the Scheme. For accounting purposes, they are reported in accordance with Financial Reporting Standard 102. In addition, the trustees of the Scheme commission a triennial actuarial funding valuation to ensure that the Scheme is appropriately funded. The last full actuarial valuation was carried out at 6 April 2019 and showed a funding shortfall of £0.9 million. A full actuarial valuation at 6 April 2022 is currently being undertaken.

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

17. Pension cost (continued)

As detailed below, on a FRS 102 basis the Scheme had a deficit at 31 March 2022 of £1,305,000 (2021: £1,845,000). The valuation is particularly sensitive to the impact of the discount rate assumption on Scheme liabilities which has changed by 0.7% (from 2.1% to 2.8%) between 2021 and 2022, and the impact of increases both to RPI (3.3% to 3.8%) and CPI (2.3% to 2.8%) used to calculate the valuation. The company is working with the Scheme trustees to manage the Scheme deficit. The funding shortfall is expected to be eliminated by 2028.

Value of the scheme assets and liabilities	2022 £	2021 £
Market value of assets	4,045,000	3,759,000
Present value of scheme liabilities	(5,350,000)	(5,604,000)
Deficit in scheme	(1,305,000)	(1,845,000)
Related deferred tax asset (see Note 14)	326,250	350,550

Principal actuarial assumptions

The principal actuarial assumptions on which the valuation of the scheme was based are set out below:

	2022	2021
Rate used to discount scheme liabilities	2.8%	2.1%
Rate of increase to pensions in payment	3.7%	3.2%
Rate of future price inflation – RPI	3.8%	3.3%
Rate of future price inflation – CPI	2.8%	2.3%

The life expectancies used to determine benefit obligations are as follows:

	2022 Male	2022 Female	2021 Male	2021 Female
Member aged 65 (current life expectancy)	21.2	23.4	21.2	23.4
Member aged 45 (life expectancy at 65)	22.2	24.3	22.2	24.3

Movements in the SOFA	2022 £	2021 £
Current and past service cost	(15,000)	(12,000)
Interest cost on scheme liabilities	(117,000)	(118,000)
Interest income on assets in the scheme	80,000	76,000
Total pension loss recognised in the SOFA	(52,000)	(54,000)
Actuarial gains/(losses)	373,000	(131,000)
Deferred tax relating to pension scheme	(24,300)	2,280
Total gains/(losses) recognised in the SOFA	348,700	(128,720)

Notes to the consolidated financial statements (continued)
For the year ended 31 March 2022

17. Pension costs (continued)

Movement in scheme assets, liabilities and deficit	Fair value of assets £	Present value of (liabilities)	(Deficit) £
At 1 April 2021	3,759,000	(5,604,000)	(1,845,000)
Interest income on assets in the scheme	80,000	-	80,000
Interest cost on scheme liabilities	-	(117,000)	(117,000)
Actuarial gains/(losses)	84,000	289,000	373,000
Employer contributions paid	219,000		219,000
Employee contributions paid	3,000	(3,000)	-
Benefits paid	(100,000)	100,000	-
Current and past service cost	-	(15,000)	(15,000)
At 31 March 2022	4,045,000	(5,350,000)	(1,305,000)

The actual return on scheme assets for the year was a gain of £84,000.

Movement in scheme assets, liabilities and deficit	Fair value of assets £	Present value of (liabilities)	(Deficit) £
At 1 April 2020	3,112,000	(4,945,000)	(1,833,000)
Interest income on assets in the scheme	76,000	-	76,000
Interest cost on scheme liabilities	-	(118,000)	(118,000)
Actuarial gains/(losses)	486,000	(617,000)	(131,000)
Employer contributions paid	173,000	-	173,000
Employee contributions paid	3,000	(3,000)	-
Benefits paid	(91,000)	91,000	-
Current and past service cost	-	(12,000)	(12,000)
At 31 March 2021	3,759,000	(5,604,000)	(1,845,000)

The actual return on scheme assets for the year was a gain of £486,000.

The Built Environment Trust

Notes to the consolidated financial statements (continued) For the year ended 31 March 2022

18. Related party transactions

Expenses reimbursed to Trustees and the remuneration of the key management personnel are disclosed in Note 9.

Details of transactions in respect to The Building Centre Group Limited Pension and Assurance Scheme are set out in Note 17.

The Built Environment Trust has transactions with its wholly owned subsidiary, The Building Centre Group Limited, which have been eliminated on consolidation. These transactions are as follows.

The Built Environment Trust received income from The Building Centre Group Limited as follows:

- Licence fees of £620,000 (2021: £497,457)

The Building Centre Group Limited charged the following expenditure to The Built Environment Trust:

- Management fee £315,100 (2021: £371,244)

At 31 March 2022 there are balances outstanding between The Built Environment Trust and The Building Centre Group Limited which have been eliminated on consolidation. These balances are as follows.

Balances owed by The Building Centre Group Limited to The Built Environment Trust as follows:

- Intercompany current account £101,801 (2021: £173,815)

There are no balances owed by The Built Environment Trust to The Building Centre Group Limited.

No guarantees have been given or received.

19. Company status

The company is limited by guarantee and the total of those guarantees is £1 per member