BRE TRUST
(A COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR

1 APRIL 2013 - 31 MARCH 2014

VERSION FINAL

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 1 April 2013 - 31 March 2014

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BRE TRUST

TRUSTEES' ANNUAL REPORT
For the year 1 April 2013 - 31 March 2014

Constitution
BRE Trust (the "Company" or the "Trust") is a company limited by guarantee Company number 03282856 and a registered as a charity in England and Wales (No 1092193) and in Scotland (No SCO39320). It is governed by its memorandum and articles of association.

Trustees and Officers of the Charity
The Directors of the charitable company (the "Charity") are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the "Trustees". The Trustees acknowledge that the content of the Trustees' report fulfils the requirement to produce a Directors' report as required by Section 415 of the Companies Act 2006.

The Trustees serving during the year and since the year end were as follows:

		Attendance
Sir Neville I Simms FREng	Chairman	3
Michael Ankers OBE		4
John Carter		2
Mark Clare		3
Michael Dickson CBE, FREng FIStructE FICE FRSA		4
Mark Farrar	(retired 31 December 2013)	1
Hugh Ferguson		4
Liz Goodwin		4
Richard B Haryott FREng		3
Sir Ken Knight CBE, QFSM		3
Quentin Leiper CBE FREng, FICE		3
Peter Lobban OBE		4
Ian Tyler		2
James Wates CBE, FCIOB, FRSA		1
Martin Wyatt FRSA	(appointed 1 January 2014)	1
Russell Heusch	Secretary	

The Trustees have delegated the day to day management of the Charity to the Chief Executive of BRE Group Limited, Peter Bonfield and the Company Director, Russell Heusch and management of its subsidiary activities to the Board of BRE Group Limited.

Registered Office
Bucknalls Lane, Garston, Watford, Herts WD25 9XX

Auditors
KPMG LLP, 58 Clarendon Road, Watford, Herts WD17 1DE

Bankers
Barclays Bank PLC, 1 Churchill Place, London E14 5HP

Solicitors
Sherrards LLP, 45 Grosvenor Road, St Albans, Herts AL1 3AW

Structure and Governance
The BRE Trust is a charitable company limited by guarantee.

The Trust was originally formed to provide independent, non-sectoral ownership for the Building Research Establishment (BRE), an Executive Agency of the Department of the Environment, when it was transferred to the private sector in March 1997. It is governed by its Memorandum and Articles of Association which were brought into effect from 1 April 2002 when the Trust obtained charitable status. The governing arrangements of the Trust, originally created to ensure the independence of BRE and that its advice and research are objective and free from bias, continue to be achieved. BRE continues to have a high reputation, both nationally and in the international arena, as an impartial and highly respected consultancy and research organisation.

As Directors of a charitable company owning BRE Group Limited, the Trustees have dual responsibilities: overseeing the operations of its subsidiary companies and meeting the Trust's obligations as a charity.

The governing body of the Trust is its **Council**. The Council consists of **Members** who are in law both **Directors** of the Company and **Trustees** of the Charity.

Objects
As a charity all the Trust's activities must at all times conform with the statement of 'objects' given in the governing documents – the Memorandum and 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 carbon emission reduction projects and such other activities and services as are beneficial to the built environment and charitable in law.

The aims of the Trust include maintenance of a strategic plan for funding world class research in the built environment; to play a leading role in the development and expansion of research and to disseminate and promote its application through its publications to stimulate high quality, innovation and excellence in pursuit of a sustainable built environment for public benefit.

The Trust's strategy for achieving its stated objectives for the public good are to provide targeted funding for development of a world class research organisation, working in partnership with organisations such as WRAP, the support and working in collaboration with the BRE University Centres of Excellence, the continuation of its education programmes by providing funding for PhD students and those studying for Masters degrees and to provide funding for publications to communicate the outcomes and provide the information needed to those who implement change in the built environment.

The Trustees confirm that they have referred to the general guidance on public benefit issued by the Charity Commission when reviewing on an annual basis the Trust's aims and objectives and in planning future activities and setting the grant making policies for the year. Any benefit received by researchers and research institutes is purely incidental to the objectives of the Trust's work.

Governance
Trustees are invited to become a Trustee for their general expertise which would be of benefit to the Trust. The Council of Trustees comprises up to 14 Trustees, The Chairman is appointed by the Council for a 3 year period. If there are several candidates for any one Trustee position then the Council will take the views of the members of Council when it elects the Trustee. The Council has three standing committees reporting to it, namely the Audit Committee, the Research Committee and the Publications Committee. The Audit Committee is chaired by a non-executive director of BRE Group Board and the Research Committee and the Publications Committee are chaired by a Trustee. Each committee formulates decisions for ratification by the Council of Trustees.

The Trustees apply the principles of the UK Corporate Governance Code as appropriate and having regard to the Charities SORP.

The Trust considers that it is important that all Trustees make a positive and meaningful contribution to the objectives of the Trust. New Trustees are issued with a comprehensive guidance hand book which details the duties of Trustees and disclosure requirements, particularly where there are conflicts of interest. Trustees have the opportunity to attend an induction meeting to ensure they understand the content of these documents and to ask questions on the organisation of the Trust. The Trust has a mechanism to provide Trustees with external professional advice if required.

The activities of the trading subsidiaries are as follows:

- Building Research Establishment Limited provides independent advice and information on building performance, construction and sustainability in the United Kingdom;
- BRE Global Limited carries out research, testing and certification of materials and products, and certification of personnel, buildings, processes, systems and supply chains;
- FBE Management Limited manages research work and carries out consultancy and research for the European Commission and provides technical support for the Construction Products Directive;
- BRE Canada Inc provides a range of consultancy, research and environmental assessment services.

Management
The role of Trustees is explicitly defined as:

- to manage and administer the activities of the Trust, its assets and investments, in accordance with the relevant Acts and guidance issued by the Charities Commission;
- to give strategic direction to the work of the Trust and group companies;
- to make input into the strategic business plans of the group companies;
- to extend the scope of the Trust's charitable activities for the public good and seek funding;
- to develop research and education objectives for the charity and to prioritise expenditure against such objectives;
- to act as ambassadors for the work and objectives of the Trust and its group companies;
- to periodically benchmark the activities and achievements of the Trust and its group of companies;
- to ensure the excellence of scientific standards within the BRE group of companies.

The Council meets quarterly and directors of subsidiary companies and senior staff are invited to the meetings to report on operational and business performance.

Audit Committee
The Audit Committee comprises the BRE Group Board non-executive Directors Chris Earnshaw (Chairman) and David Szymanski and a representative of the Trustees, Peter Lobban. Attending, by invitation, were the BRE Group non-executive Chairman (Martin Wyatt until his retirement on 1 January 2014), the Chief Executive Officer and the Finance Director. On 3 June 2014 Catherine Wall (appointed a non-executive director of BRE Group on 22 April 2014) became Chairman of the Audit Committee in place of Chris Earnshaw.

The Audit Committee met five times during the year to review financial performance and monitor such matters as the group's external financial reporting, audit activities, risk management and corporate governance. The Committee acts as audit committee for both the BRE Trust and the operating companies. The Audit Committee members' attendance at meetings of the Audit Committee during the year ended 31 March 2014 was as follows:

Members	**Attendance**
Chris Earnshaw	5
Peter Lobban	5
David Szymanski	5

Risk Management
The Trust and the group maintain detailed and comprehensive, group-wide systems for managing risk, operational and compliance issues across all activities. Systems are continuously evolving and currently include a code of conduct, compulsory training, mandatory procedures, a detailed high level risk analysis and response, mandatory risk assessments, appropriate insurances and internal audit. The major risks faced by the Trust and

the group are reviewed on an annual basis by the Audit Committee, the BRE Group Board and the Council. The Trustees advise on improvements to risk procedures, which are incorporated into operations and reported on in the next annual report. The Trustees acknowledge their responsibility for the group system of internal control and for monitoring its effectiveness.

The Trustees accept that such a system can provide only reasonable and not absolute assurance against material misstatement and loss and that the system is designed to provide the Trustees with reasonable assurance that problems are identified on a timely basis and dealt with appropriately and that systems exist to mitigate those risks. The Trustees are content that the controls are effective and that risks faced by the Charity have been minimised.

BRE Group Remuneration Committee and Nomination Committee
The BRE Group Remuneration Committee is responsible for determining the remuneration and conditions of the executive directors of the subsidiary companies. In determining appropriate levels of remuneration for the executive directors, the Remuneration Committee aims to provide packages that are competitive in the marketplace and will attract and retain high quality executives capable of achieving the subsidiary companies' objectives and ultimately those of the Trust.

The BRE Group Nomination Committee leads the process for identifying and makes recommendations to the Board regarding candidates for appointment as directors and other senior executives of BRE Group and its subsidiary boards, giving full consideration to succession planning and the leadership needs of the Group. It reviews regularly the structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the non-executive directors, and makes recommendations to the Board with regard to any changes. The Nomination Committee meets periodically when required.

Membership of both committees consisted of Chris Earnshaw and David Szymanski as non-executive Directors of BRE Group, and Martin Wyatt (non-executive Chairman of BRE Group until 31 December 2013). Catherine Wall attended her first meeting as a member of the Remuneration Committee on 22 April 2014.

Business Development
The BRE group of companies has continued to be successful in developing the range of products and services it offers and remains focussed on innovation, risk and sustainability. In the last year a revised business Strategy has been developed and launched which will focus future business in a number of key focus areas to maximise growth, profitability and ultimate impact in support of BRE's overarching mission of Building a Better World together. The identification of knowledge gaps in the marketplace and the corresponding development needs of current and future products and services have resulted in more targeted proposals for BRE Trust funding for research and dissemination. This will also extend to all future studentships and other strategic partnerships formed with third party organisations.

Activities
The Trust is the owner of BRE Group Limited and through that ownership, of subsidiary companies Building Research Establishment Limited, BRE Global Limited, FBE Management Limited and BRE Canada Inc. The commercial activities of the Trust are carried out through these subsidiary companies - please see page 3 for further details. Taxable profits arising in the UK are gift-aided to the Trust to be used in furtherance of the Charity's objects and for no other purposes. As the owner of these companies the Trust has an obligation to act to secure their success.

This ownership structure means that:

- The Trust has the flexibilities and freedoms as a charity to promote its objectives for the public good.
- BRE Group companies can maintain their independence from sector or political interests. They can act for the benefit of the built environment, the construction industry and its clients, whilst being free to develop as businesses.
- The corporate structure is clear and extensible with responsibilities and risks clearly defined.
- Taxation can be minimised whilst accommodating the assets, loans and necessary cash flows between companies.

The activities of the trading subsidiaries are as follows:

- Building Research Establishment Limited provides independent advice and information on building performance, construction and sustainability in the United Kingdom;
- BRE Global Limited carries out research, testing and certification of materials and products, and certification of personnel, buildings, processes, systems and supply chains;
- FBE Management Limited manages research work and carries out consultancy and research for the European Commission and provides technical support for the Construction Products Directive;
- BRE Canada Inc provides a range of consultancy, research and environmental assessment services.

Trust Programmes
As a charity for research and education, the BRE Trust commissions and supports 'for public benefit research' at BRE group of companies and elsewhere. This is delivered via three main programmes: the Research Programme, the Publications Programme and the University Centres of Excellence,. The Trust aims to ensure that access is available in the UK to all the practical aspects of work it funds irrespective of nationality, gender and personal means, so that the research findings impact on the lives of the public. These programmes are described in the Strategic Report on page 6.

Eligibility for funding is restricted to applicants having expertise in the relevant field in order to ensure high standards of practice and high quality results. The Trust follows best practice in maintaining the independence of funding and ensuring that sponsored individuals and research institutions abide by best practice in research ethics and environmental testing. This is measured as part of the on-going review of milestones deliverables by the Trust Programme Manager. The Trust's aim is to maximise efficacy of programmes for the public good whilst minimising the likelihood of harm to individuals and the environment.

Disclosure of Information to Auditor
The Trustees who held office at the date of approval of this Trustees' Annual Report confirm that, so far as they are each aware, there is no relevant audit information of which the group and charitable company's auditor is unaware; and each trustee has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the group and charitable company's auditor is aware of that information.

Auditor
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

BY ORDER OF THE TRUSTEES
Sir Neville I Simms
Chairman

Bucknalls Lane
Garston
Watford
WD25 9XX

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

4 September 2014

Trust Research Programme

BRE Research Committee
The Research Committee meets at least 4 times per year to agree research projects to be undertaken and review completed research projects and any other ad hoc items related to the effective allocation of funds. In 2013 the Research Committee met 6 times, including a joint meeting with the Publications Committee. A new process for post-project reviews included presentations given by project leads followed by a discussion and questions. This was deemed to be a much more effective way of assessing both the quality of the project outputs but also determining how the outputs were now supporting positive change in the built environment.

The Research Committee members' attendance at meetings of the Research Committee during the year ended 31 March 2014 was as follows:

Members	**Attendance**
Liz Goodwin	6
Richard Haryott	5
Michael Dickson	6
Quentin Leiper	4

Overall Programme Progress
During 2013/14 the number of active research projects within the established Responsive Mode Programme was 76, including 15 new projects started during the course of the year. Of the total active projects in the programme 41 were completed. Included in the total are 4 'Hot Topics', of which 2 were completed in the year.

In 2013 the Research Committee approved 17 new projects for funding in total, committing £670k of Trust funding and leveraging £580k of additional funding. In addition, 2 hot topics were funded, committing £29k of funding from the Trust.

The completion of a post-programme review in November 2013 of the three year Thematic Research programme focused on Low Impact Materials products and Processes programme highlighted the following outputs and impacts achieved:

- 7 distinct technical areas enhanced
- 26 new projects in total
- 16 PhD studentships, (7 Trust funded)
- £820k of leveraged TSB funding for this programme
- £280k matched funding from industry for this programme
- £1,410k TSB funding for further research following on from work initiated in this programme
- £1,550k EU funding for further research following on from work initiated in this programme
- £125k new Industry funding
- 18 BRE Trust publications and an ongoing programme of dissemination activities and events

The three year Thematic Research programme on 'Future Cities' was launched in 2012 with an initial 13 projects approved and activated. Phase 2 of this programme was implemented in 2013, with a further 6 new projects and 4 extensions to existing projects approved. This resulted in a further £605k of Trust funding being awarded. This brings the total allocated Trust funding to £1,380k, leveraging an additional £4,200k cash to BRE and £1,600k in-kind support from third parties. A total of 69 partners are now working with BRE across the programme. In addition, 2 of the University Centres (Cardiff Engineering and Strathclyde) are also linked to the programme, with 4 new PhD studentships and a further £1,600k of external funding attracted for supporting research.

Research Conference
The Trust Research Conference was held on 25 February 2014 at The Crystal, with a focus on future cities, and was attended by 155 guests, representing 95 organisations. The agenda followed the 3 main themes of the Future Cities thematic programme: energy, infrastructure and wellbeing and combined presentations from BRE, the UCEs (Strathclyde and Cardiff) and leading industrialists and researchers who are partners with BRE in the wider programme.

The Trust and Waste Resources and Action Programme
The partnership between the Trust and Waste Resources and Action Programme (WRAP) completed its fourth and final year with delivery of £20k of work to complete the programme. This resulted in the following outputs released during the year:

- Flooring (WRAP REF103-101)
- Shop fitting and Resource Efficiency (WRAP REF103-101)
- Building Insulation Foam (WRAP PRD106-106)

Trust Publications Programme

Publications Committee
The Publications Committee met 3 times in 2013/14, to review new proposals for the 2014 Programme and to carry out an annual review of publications.

The Publications Committee also held a joint meeting with the Research Committee to discuss potential enhancement of the publication of outputs from the research programmes. A revised single process for the management of the award of research projects and then the dissemination of outputs was agreed. This meeting also highlighted the need to consider other formats for dissemination as well as traditional publications, which could include training, workshops and discussion forum which could also take advantage of digital technologies to enhance outreach and efficiency of delivery.

The Publications Committee members' attendance at meetings of the Research Committee during the year ended 31 March 2014 was as follows:

Members	**Attendance**
Hugh Ferguson	3
Richard Haryott	3
Michael Ankers	2
John Carter	1

Overall Programme Progress
2013/14 saw continued progress with the delivery of the active programme, with £550k of income expended on completing 76 projects from the active portfolio of 150 titles in the programme. 26 of these titles have been formally released so far in both hard copy and as electronic pdf downloads:

- IP 2/13 Designing for future climate change: Lessons learned from developing an Adaptation Strategy, N Beddoe et al
- IP/7/13 Energy surveys and audits: A guide to best practice, A Lewry
- IP/8/13 Advances in construction life cycle assessment through BIM, D Doran
- IP 9/13 Lessons from AIMC4 for cost-effective, fabric-first, low-energy housing, P Cartwright et al
- IP 10/13 Prioritising maintenance and investment in school buildings, A Thorne et al
- IP 11/13 Wireless communication systems in dwellings, J Holden
- IP 12/13 New Requirements for Fire Detection and Alarm Network Systems, E Mattie-Suleiman
- IP 13/13Building with confidence using renewable materials, K Balson
- IP14/13 Critical materials and material security for the construction industry, A Dunster
- IP15/13 Delivering energy efficiency in commercial buildings: a guide for facilities managers, T Taylor
- IP 16/13Greener homes for Redbridge: Sustainable refurbishment of 19 dwellings, R Hartless et al
- IP 17/13 Planning of domestic air source heat pumps to mitigate noise impacts, G Timmins et al
- IP 1/14 Understanding the choices for building controls, Andy Lewry
- IP 2/14 Operating BEMS: A practical approach to building energy management systems, A Lewry
- DG 498 (2014) Selecting lighting controls, P Littlefair
- DG530 Applications, performance characteristics of alkali-activated binder concretes, A Dunster et al
- FB56 The Essential Guide to Retail Lighting, P Littlefair et al
- FB 57 Environmental Impact of metals, K Allbury et al
- FB58 Environmental Impact of Brick, Stone and Concrete, K Allbury et al
- FB 59 Design of low-temperature domestic heating systems, B Young et al

- FB 60 Performance of photovoltaic systems on non-domestic buildings, S Pester et al
- FB 61 Reducing thermal bridging at junctions when designing and installing solid wall insulation, C Weeks et al
- FB 62 Housing in the UK: National comparisons in typology, condition and cost of poor housing, J Piddington et al
- NF 52 Assessment of MVHR systems (NHBC Foundation), A Dengel
- NF55 Cellulose based Building Materials, R Hartless
- GG 83/1 Sound insulation: Part 1: An introduction, G Timmins and I West

The Publications Committee met in February 2014 to review and approve new projects for 2014, with 11 approved, requiring £168k of Trust funding. Other proposals will be submitted for review and approval later in the year to bring the full commitment of funding up to £400k for the year.

The Trust also continued to provide financial support for the on-line magazine www.building4change.com (a free magazine for public benefit devoted to matters relating to sustainability in the built environment), which has a circulation of over 45,000 individuals. The release of a new online newsletter www.Technology4Change.com in 2013 has also been a big success, with over 20,000 subscribers in less than a year.

Both releases provide significant value to the wider built environment community with signposting and informing readers of the status of challenges for industry and also new innovations and knowledge which may support improved business. The new digital platform Innovar will be released shortly, which will provide an additional and extended outreach mechanism for Trust outputs.

Trust University Centres of Excellence

The Trust awards scholarships and bursaries to PhD students and provides financial support for the Chairs held by the Directors of the Centres that together form the 'BRE-Universities Partnership'. The Trust continued to provide financial support to the original five Chairs at the following BRE Centres:

- University of Edinburgh (Fire Safety Engineering),
- University of Strathclyde (Energy Utilisation Research),
- University of Bath (Innovative Construction Materials)
- Cardiff University, School of Architecture (Sustainable Design of the Built Environment) and
- Cardiff University, School of Engineering (Centre for Sustainable Engineering)

In addition, approval was given to set up a new partnership with the University of Brasilia, focusing on integrated sustainable communities and Professor Raquel Blumenshein was appointed as the Trust Chair. This appointment became effective on 1 June 2013.

2013 also saw the appointment of two new Chairs following the departure of the previous incumbents in 2012.

- Professor Albert Simeoni took up the post as Trust Chair at Edinburgh on 4 July 2013
- Professor Joe Clarke took up the post of Trust Chair at Strathclyde on 1 October 2013.

The Trust and the University Centres held the Annual Review Meeting on 8 October 2013 at The University of Bath. This provided an opportunity for the 3 new Chairs to present an overview of their future research plans and also discuss areas for increased collaboration.

All of the five University Centres in the BRE - Universities Partnership are allocated PhD studentships funded by the Trust. During the year to 31 March 2014 the following studentships were taken up and new awards made:

- Tala Kasim, Cardiff University (Engineering) April 2013
- Liam Ingram, Cardiff University (Engineering) Oct 2013
- Graham Flett, University of Strathclyde, Oct 2013
- Andrea Giampiccola, University of Bath , January 2014
- Caria Dasilva, University of Bath, February 2014

PhDs completed in 2013/14:
The following Trust funded PhD research projects were completed in 2013/14

Apeksha Gupta, Cardiff University
Mark Waghorn, Cardiff University
Alexandra Cemesova, Cardiff University
Eric Baster, University of Strathclyde

At the conclusion of 2013/14 there were 21 active PhD projects within the Trust PhD postgraduate scholarship scheme.

Trust Sponsorships
In addition to the Trust Research Conference, Trust supported:

- Trust PhD student workshop, attended by 23 students from all 5 UCEs
- Sponsorship of the 2013 RIBA Research Symposium and poster session
- Sponsorship of www.Designingbuildings wiki to extend the promotion of university research to industry
- Support for the Wellbeing research paper competition and seminar at Ecobuild 2014
- trust support for an event to launch the new publication retail Lighting

Other Factors Affecting the BRE Group of Companies

Personnel Policies
The BRE group of companies has instituted means of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group. This is achieved through consultations with employee representatives and various information channels. Employment policies aim to provide equal opportunities, irrespective of sex, race, religion or marital status. Applications by disabled persons are given full and fair consideration and, wherever practicable, provision is made for their special needs. The same criteria apply to disabled persons for training, career development and promotion as to any other employee. If any employee becomes disabled, every effort is made to ensure their continued employment by providing adequate facilities, offering an alternative job or providing retraining where necessary.

Environmental
As much of BRE group of companies' core business is directly connected with helping others to improve their environmental performance as well as addressing the broader sustainability agenda, it is essential for BRE to practice what it preaches and thus ensure that its operations and activities are being managed in a way which minimises our negative impact on the environment, and maximises the positive influence that our business activities have.

During 2013/14 the BRE group of companies continued to drive forward a series of initiatives as part of its environmental policy and strategy of continual improvement all which forms part of the company's accredited ISO14001 Environmental Management System. The Group's Sustainability Plan – 'S Plan', targets our key impact areas including: Energy, Waste, Transport emissions, Water and Ecology. In 2013/14 the S Plan continued to deliver great outcomes and successes some of which are detailed below:

- Achieved our main S Plan Transport emissions target of reducing CO_2 emissions to less than 1 tonne (1.5 tonnes in 2008) with a 40% reduction in emissions (925kg CO_2 per staff per year)
- Launched new partnership with University of Hertfordshire UNO Bus which provides an hourly bus service linking Watford Junction train station with the BRE Garston site
- Launch of the Active Travel Scheme providing a free breakfast for cyclists and walkers
- Won the Big Herts Cycle Challenge for the second year in succession getting 11% of staff to cycle a total of 6,672 miles and saving 2,177kg of CO_2
- Refurbishment of staff shower block
- BRE Bike Pool expanded with a new British-Built Brompton bike

- Through continued investment in energy improvements at BRE Garston energy use has reduced resulting in the company now falling below the Carbon Reduction Commitment (CRC) threshold for UK businesses. This has led to a £60k tax saving per year as well as reduction in energy costs. Some measures to achieve this include improvements to heating and DHWS systems across office buildings and laboratories, and investment in energy efficient fan motor controls in BRE biggest test facility – Burn Hall which has led to significant reductions in electricity consumption.
- Installation of new TEAM Building Energy Management Software in summer 2013 to help identify and target further energy savings across the Garston site
- BRE Garston continues to divert 99.9% of non-hazardous waste generated from landfill
- We reached our 10,000th student taking part in the BRE Schools Education for Sustainable Development programme which teaches Lower, Secondary and Diploma students about sustainability and the Built Environment
- Continued work to identify and save water on the BRE Garston site with one action alone saving over 17,500 m^3 of water per year

Financial Review
The financial statements have been prepared on the basis of the accounting policies attached and comply with the current statutory requirements, applicable law and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (the "SORP"). The principal accounting policies are included in the financial statements pages 15 to 17. Net income for the year to 31 March 2014 was £249k (2013: £258k). Incoming resources to the charity decreased compared to last year at £3,014k (2013: £3,196k), which was the result of both lower gift aid payments from subsidiary companies and donations to research funds. Research expenditure was £2,877k (2013: £3,421k), a decrease from the previous year. Given the current market conditions the subsidiary companies performed strongly with their combined net profit before gift aid, of £3,297k being an increase on that achieved in 2013 of £3,259k.

Building Research Establishment Limited's turnover reduced to £21,230k (2013: £24,105k) and operating profit reduced to £656k (2013: £1,889k) reflecting the difficult market conditions Building Research Establishment Limited faced throughout the year. BRE Global Limited's turnover increased to £27,293 (2013: £23,440k), despite the economic background, by expanding the product range and increasing international activity resulting in an operating profit of £2,911k (2013: £2,718k). FBE Management Limited's income reduced to £204k (2013: £305k) resulting in a net profit of £2k (2013: £43k).

The directors of the subsidiary companies consider that the profits of the subsidiary companies were appropriate for the level of business activity.

Summary of Achievements and Performance
The Trustees are pleased to report that the Trust has achieved its principal objectives for the financial year to 31 March 2014, particularly given the continuing well publicised difficulties faced by the construction sector.

Expenditure of £2,877k by the Trust was achieved, compared with £3,421k in 2012/13. At specific key programme level the Trust spent £987k (2013: £782k) on projects in its managed research programme. The Trust also spent £14k to complete its support for the Low Impact Materials Thematic Research Programme. Also, £481k was spent in the second year of the £1,500k Future Cities Thematic Programme. In addition, the publications programme spent £550k (2013: £960k) and £481k (2013:£462k) was spent on the University Centres of Excellence.

Pensions Deficit
The FRS17 pension scheme deficits relating to the two defined benefit schemes operated by Building Research Establishment Limited are incorporated into the balance sheet of Building Research Establishment Limited and of the group. The deficit increased during the year to £30,225k (2013: £29,688k). The Directors of Building Research Establishment Limited 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 Building Research Establishment Limited as a going concern.

Reserves Policy
The Trust only holds reserves that it applies on its research and related long term objectives. Unrestricted funds are currently maintained at a level to enable the Charity to fund projects up to three years in the future. The funds of the Charity have increased during the financial year to £8,800k (2013: £8,744k), of which £8,681k is unrestricted (2013: £8,557k). The Trustees consider the level of reserves appropriate for the level of expenditure currently being incurred and the plan to expand research activity in future years. The value of restricted funds has decreased as a result of resources expended exceeding of receipts by £68k; this does not impact on the Trust as a going concern.

Creditors Payment Policy
The BRE group of companies operates normal trading terms of payment in 45 days when making payments to its creditors.

Post Balance sheet Event
On 1 April 2014 the company formerly named BRE Global Ltd, now called BRE Certification, company registration number 3548352 hived up its entire business (all assets and liabilities) to a new company formerly named BRE Global (Newco) Ltd, now called BRE Global Limited, company registration number 8961297.
This means that effective from 00.01 on 1 April 2014, BRE Certification became a non-trading/dormant company. The BRE Global business formerly a company limited by guarantee is now registered under a new company number limited by share capital.

BRE Global Limited's (company registration number 8961297) first financial year is 26 March 2014 (date of incorporation) to 31 March 2015.

BY ORDER OF THE TRUSTEES
Sir Neville I Simms
Chairman

Bucknalls Lane
Garston
Watford
WD25 9XX

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

4 September 2014

BRE TRUST

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES' OF THE BRE TRUST IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Trustees 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK 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 group and charitable company and of the group's excess of income over expenditure for that period.

In preparing each of the group and charitable company financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 group and the charitable company will continue its activities.

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 enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG LLP
58 Clarendon Road
Watford
WD17 1DE
United Kingdom

Independent auditor's report to the trustees and members of BRE Trust

We have audited the financial statements of BRE Trust for the year ended 31 March 2014 set out on pages 15 to 45. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 charity's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its trustees as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees Responsibilities set out on page 13, 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.

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 regulations made under those Acts. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

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 2014 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 UK Generally Accepted Accounting Practice; and

• have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Independent auditor’s report to the trustees and members of BRE Trust (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

• the charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or

• the 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

Mark Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

BASIS OF PREPARATION
These accounts are prepared under Companies Act 2006 on the historical cost and going concern conventions modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards and the Statement of Recommended Practice on accounting and reporting by charities: the charities SORP 2005. The directors have reviewed future plans in light of the negative net assets caused by the movement in market to market valuation of the long term pension deficit and confirm that going concern continues to be an appropriate convention. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

BASIS OF CONSOLIDATION
The group financial statements consolidate the financial statements of the charitable company and its subsidiary undertakings on a line by line basis. 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 22. In accordance with FRS 8 'Related Party Disclosures', transactions or balances between BRE Trust group entities that have been eliminated on consolidation are not reported.

ASSOCIATED UNDERTAKINGS
Undertakings, other than subsidiary undertakings, in which the group has an investment of at least 20% of the shares and over which it exerts significant influence, are treated as associates under the equity accounting method adjusted for provisions and impairment.

INTANGIBLE ASSETS
In accordance with FRS 10 'Goodwill and 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 20 years.

As a matter of accounting policy, purchased negative goodwill first accounted for in periods ended 31 March 1998, the date of implementation of FRS 10, was eliminated from the financial statements by immediate write off to a separate reserve. This goodwill is retained in a separate reserve and transferred to the profit and loss reserve as it is realised over a maximum period of 20 years.

Negative goodwill arising on business combinations since 1 April 1998 is included in intangible assets and released to the Statement of Financial Activities over the period in which the fair values of the non-monetary assets purchased on the same acquisitions are recovered whether through depreciation or sale. Any negative goodwill in excess of the values of the non-monetary assets is written back in the profit and loss account over the period negative goodwill will benefit the group.

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.

INCOMING RESOURCES
Activities for generating funds derives from the commercial trading activities net of inter company activities. This commercial activity represents the invoiced amount of research and technical consultancy and amounts recoverable on contracts and is stated net of value added tax. Certain commercial activities include contracts where the group has undertaken to negotiate and contract with third parties on behalf of clients and to subsequently recharge the clients at cost. Such amounts have been excluded from income and excluded from costs.

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.

RESOURCES EXPENDED
Resources expended are accounted for when incurred. Costs and overhead are directly allocated to activities for generating funds. Research management and charity administration cost are allocated to governance costs.

FUNDS
All funds of the charity and the group are unrestricted funds, with the exception of the NHBC Foundation and WRAP funding which is restricted. Restricted funds are used for research to improve the performance and reduce the environmental impact of the UK house building industry.

TANGIBLE FIXED ASSETS AND DEPRECIATION
Tangible fixed assets are stated at cost or valuation less depreciation. Annual impairment reviews are performed. 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 (Freehold land + buildings)	5-20 years
IT equipment (Plant + Machinery)	3 years
Telecommunications equipment (Plant + Machinery)	10 years
Other plant and machinery (Plant + Machinery)	7 years
Fixtures and fittings	7 years
Commercial vehicles and cars (Motor Vehicles)	3-6 years
Fork lift trucks (Motor Vehicles)	10 years

No depreciation is provided on freehold land or agricultural land.

LONG TERM CONTRACTS
Amounts recoverable on long term contracts (work done not invoiced), which are included in debtors, are stated at the net sales value of the work done after making provision for contingencies and anticipated future losses on contracts and deducting amounts received as payments on account. Payments on account are shown in creditors due in less than one year.

LEASED ASSETS
All leases are regarded as 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.

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the statement of financial activities over the period of the lease.

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

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

TAXATION
The charge for taxation is based on the net income for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is recognised, without discounting, in respect of all timing differences between treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19 ‘Deferred Tax’.

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 profit and loss account.

The P&L, 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 reserves.

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.

POST-RETIREMENT BENEFITS
The Trust operates two 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 assets of the schemes are held separately from those of the Trust.

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

The 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.

The Trust also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Trust 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.

GOVERNANCE COSTS OF THE CHARITY
The governance costs of the charity comprise those costs incurred supporting the trustees carrying out their responsibilities as trustees. These include the cost of services provided by BRE; staff seconded to the charity and engaged on these activities; publicity, legal and incidental administrative expenses.

INVESTMENTS
Investments classified as current assets are carried in the balance sheet at market value. All changes in market value of the investments are recognised in the statement of financial activities.

BRE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Including consolidated income and expenditure account)
For the year 1 April 2013 – 31 March 2014

Incoming Resources	Note	Restricted Funds 2014 £'000	Unrestricted Funds 2014 £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
Incoming resources from generated funds	1				
Activities for generating funds		42	45,154	45,196	44,239
Investment income					
Interest receivable		-	42	42	248
Total incoming resources		42	45,196	45,238	44,487
Resources expended					
Costs of generating funds					
Fundraising trading					
Commercial trading operations	2	-	(42,098)	(42,098)	(40,916)
Charitable activities					
Research commissioned by the Charity		(110)	(2,767)	(2,877)	(3,421)
Governance cost		-	(81)	(81)	(73)
Total charitable and governance expenditure		(110)	(2,848)	(2,958)	(3,494)
Total resources expended		(110)	(44,946)	(45,056)	(44,410)
Share of associate investment profit/(loss)		-	67	67	181
Net (outgoing)/incoming resources before other recognised gains and losses		(68)	317	249	258
Other recognised losses					
Actuarial losses on defined benefit pension schemes	15	-	(2,615)	(2,615)	(10,073)
Exchange movement on overseas subsidiary reserves		-	8	8	111
Net movement in funds for the year		(68)	(2,290)	(2,358)	(9,704)
Reconciliation of funds					
Total funds brought forward	15	187	(2,822)	(2,635)	7,069
Total funds/(deficit) carried forward		119	(5,112)	(4,993)	(2,635)

The accompanying accounting policies and notes on pages 23 to 45 form an integral part of these financial statements.

BRE TRUST

CONSOLIDATED BALANCE SHEET
As at 31 March 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	8	1,343	1,223
Tangible assets	9	24,137	24,024
Investments	10	10	976
		25,490	26,223
Current assets			
Investments	11	2,208	2,202
Stock		134	364
Debtors	12	11,666	13,102
Cash		3,634	4,806
Creditors: amounts falling due within one year	13	(16,030)	(17,763)
Net current assets		1,612	2,711
Total assets less current liabilities		27,102	28,934
Provisions for liabilities	14	(1,870)	(1,881)
Net assets excluding pensions liabilities		25,232	27,053
Defined benefit pension scheme liability	19	(30,225)	(29,688)
Net liabilities including pension liabilities		(4,993)	(2,635)
Funds of the group			
Unrestricted funds:			
General fund	15	(16,257)	(14,417)
Other reserves	15	1,350	1,800
Revaluation reserve	15	9,795	9,795
Restricted funds:			
Income fund	15	119	187
Total (deficit)/funds		(4,993)	(2,635)

These financial statements were approved by the Trustees on 4 September 2014.

Sir Neville I Simms
Chairman

Company Registration Number: 03282856
The accompanying accounting policies and notes on pages 23 to 45 form an integral part of these financial statements.

BRE TRUST

CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
For the year 1 April 2013 - 31 March 2014

	Note	Restricted Funds 2014 £'000	Unrestricted funds 2014 £'000	Total funds 2014 £'000	Total funds 2013 £'000
Incoming Resources					
Incoming resources from generated funds					
Activities for generating funds					
Research income		42	32	74	461
Investment income					
Gift Aid received	1	-	2,903	2,903	2,698
Group interest received		-	36	36	36
Other interest		-	1	1	1
Total incoming resources		42	2,972	3,014	3,196
Resources expended					
Costs of generating funds					
Research expenditure		(110)	(2,767)	(2,877)	(3,421)
Governance costs		-	(81)	(81)	(73)
Total resources expended		(110)	(2,848)	(2,958)	(3,494)
Net movement in funds for the year		(68)	124	56	(298)
Reconciliation of funds					
Total funds brought forward		187	8,557	8,744	9,042
Total funds carried forward		119	8,681	8,800	8,744

All recognised gains and losses are included in the statement of financial activities.

The accompanying accounting policies and notes form an integral part of these financial statements.

BRE TRUST

CHARITY BALANCE SHEET
As at 31 March 2014

	Note	2014 £'000	2013 £'000
Investments	10	5,000	5,000
Current assets			
Debtors (including £2,400k (2011: £2,400k) due after more than one year	12	5,028	4,838
Cash		207	398
Creditors: amounts falling due within one year	13	(1,435)	(1,492)
Net current assets		3,800	3,744
Net assets		8,800	8,744
Funds of the charity			
Unrestricted funds	15	8,681	8,557
Restricted funds	15	119	187
Total charity funds		8,800	8,744

These financial statements were approved by the Trustees on 4 September 2014.

Sir Neville I Simms
Chairman

The accompanying accounting policies and notes on pages 23 to 45 form an integral part of these financial statements.

BRE TRUST

CONSOLIDATED CASH FLOW STATEMENT
For the year 1 April 2013 – 31 March 2014

	Note	2014 £'000	2013 £'000
Net cash inflow/ (outflow) from operating activities	16	384	(1,262)
Return on investments and servicing of finance			
Interest received		42	248
Net cash inflow from return on investments and servicing of finance		42	248
Capital expenditure and financial investment			
Purchase of tangible fixed assets	9	(1,080)	(313)
Purchase of intangible fixed assets	8	(512)	(573)
Purchase of current asset investments		(6)	(192)
Sale of current asset investments	11	-	2,231
Net cash (outflow)/inflow from capital expenditure and financial investment		(1,598)	1,153
Acquisitions and Disposals			
Purchase of fixed asset investments	10	-	(55)
(Decrease)/ Increase /in cash in period	17	(1,172)	84

The accompanying accounting policies and notes on pages 23 to 45 form an integral part of these financial statements.

1 INCOMING RESOURCES

Gift Aid in the charity represents amounts payable from subsidiary undertakings. Gift Aid income received by the Trust are amounts remitted from its subsidiary companies to fund the research activities of the Trust in accordance with its objectives. Commercial activities exclude recharges of £1,745k (2013: £1,250k) where the group has undertaken to negotiate and contract with third parties on behalf of clients and to subsequently recharge the clients at cost.

2 COST OF GENERATING FUNDS

	Note	2014 £'000	2013 £'000
Staff costs	4	26,835	26,141
Depreciation of tangible assets	9	963	948
Amortisation of intangible assets	8	358	230
Impairment of investment in associate	13	1,033	-
Other operating expenses		15,678	14,989
Other finance costs	6	42	1,544
Profit on disposal of investments		-	(195)
Loss on disposal of fixed assets		4	3
Amounts reallocated to charitable activities		(2,815)	(2,744)
		42,098	40,916

3 NET MOVEMENT IN FUNDS

Group	2014 £'000	2013 £'000
This is stated after charging:		
Restructuring costs (staff)	440	1,062
Operating lease rentals	168	187
Auditor's remuneration:		
Audit of group and subsidiary financial statements	52	50
Amounts receivable by auditor and associates in respect of:		
Services relating to taxation	38	30
Other services	6	4

4 STAFF COSTS AND NUMBERS

	2014 £'000	2013 £'000
Group staff costs during the period amounted to:		
Wages and salaries	22,210	22,672
Social security costs	2,343	2,374
Other pension costs	2,282	1,095
	26,835	26,141

During the year the group also made contributions of £2,120k (2013: £2,846k) to the closed BRE and LPC defined benefit Pension Schemes.

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

	2014 Number	2013 Number
Research staff	530	531
Administration staff	56	49
	586	580

The emoluments (salary plus share of profits) costs of higher paid employees (all UK based), including directors, were as follows:

Salary band	2014 Number	2013 Number
£60,000 - £69,999	18	17
£70,000 - £79,999	12	8
£80,000 - £89,999	14	14
£90,000 - £99,999	4	4
£100,000 - £109,999	3	2
£110,000 - £119,999	3	1
£120,000 - £129,999	-	-
£130,000 - £199,999	3	4
£200,000 - £299,999	1	2

The total employer contributions in the year for provision of money purchase benefits for higher paid employees were £233k (2013: £229k). The number of higher paid employees (i.e. greater than £60k) to whom retirement benefits are accruing under money purchase schemes was 47 (2013: 42).

5 TRUSTEES' REMUNERATION AND EXPENSES

No Trustee earned any remuneration in either 2014 or 2013. Out of pocket expenses incurred by Trustees in the furtherance of their duties are reimbursed at cost and totalled £3,056 (2013: £1,128). The whole of this amount related to travel and expenses.

6 OTHER FINANCE (COSTS)/INCOME

	2014 £'000	2013 £'000
Expected return on pension scheme assets	4,175	2,649
Interest on pension scheme liabilities	(4,217)	(4,193)
	(42)	(1,544)

7 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. No tax charge has arisen in the year and an unrelieved trade loss of £556k arising from the activities of the Building Research Establishment Ltd, a member of the BRE Trust group, has been carried forward to 2014/15.

8 INTANGIBLE FIXED ASSETS

	Software	Goodwill	Total
Group			
Cost	£'000	£'000	£'000
At 1 April 2013	1,050	1,361	2,411
Additions	512	-	512
At 31 March 2014	**1,562**	**1,361**	**2,923**
Amortisation			
At 1 April 2013	315	873	1,188
Charge for year	287	71	358
Impairment	-	34	34
At 31 March 2014	**602**	**978**	**1,580**
Net book value			
At 31 March 2014	**960**	**383**	**1,343**
At 1 April 2013	735	488	1,223

Goodwill is amortised over its useful economic life of between 3 and 20 years.

9 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2013	27,660	6,214	465	75	34,414
Additions	228	712	140	-	1,080
Disposals	-	(554)	(16)	(5)	(575)
At 31 March 2014	**27,888**	**6,372**	**589**	**70**	**34,919**
Depreciation					
At 1 April 2013	4,828	5,240	263	59	10,390
Charge for year	591	317	51	4	963
Eliminated on disposal	-	(550)	(16)	(5)	(571)
At 31 March 2014	**5,419**	**5,007**	**298**	**58**	**10,782**
Net Book Value At 31 March 2014	**22,469**	**1,365**	**291**	**12**	**24,137**
At 1 April 2013	22,832	974	202	16	24,024

The policy of not depreciating freehold land has been retained. As at 31 March 2014, freehold land is held at the revalued amount of £18,245k. The comparable cost (and net book value) at that date determined under the historical cost accounting rules would have been £8,450k. A full valuation was performed in 2013 by Stephen Wolfe (BSC, MRICS, IRRV) of Strutt & Parker.

All tangible fixed assets are used in the commercial trading organisations.

10 FIXED ASSET INVESTMENTS

Group	Interests in associated undertakings £'000	Capital Contribution £'000	Total £'000
Cost			
At the beginning of the year	202	774	976
Share of associates Profit	67		67
Impairment	(259)	(774)	(1,033)
At 31 March 2014	10	-	10
Net Book Value			
At 31 March 2014	**10**	**-**	**10**
At 1 April 2013	202	774	976

The group investments represents the group's holding in Tri-Air Developments Limited, held through BRE and Fire Investigations UK LLP held through BRE Global.

During the year BRE made no further capital contributions to Tri-Air (2013: £46k). As a result of changes in the commercial partnering relationships of Tri-Air during the year, there is now increased uncertainty around the future prospects of the business. Accordingly, BRE has decided that a full provision/impairment against the balances is appropriate.

The charity investment in subsidiary undertakings is £5,000k (2013: £5,000k). A list of subsidiaries is included at note 22.

BRE has an associate interest in National Centre of Excellence in Housing – as one of 2 members in this company limited by guarantee. It has no impact on the profit and loss or balance sheet.

The total of the Group's net movement in funds from interests in associates and joint ventures was £532k loss (2013: £181k profit).

10 FIXED ASSET INVESTMENTS - continued

GROUP TRADING RESULTS

	Building Research Establishment Limited	BRE Global Limited	FBE Management Limited	ABS	BRE Canada	Total
	2014	2014	2014	2014	2014	2014
Summary profit and loss account	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	21,230	27,293	204	26	61	48,814
Operating costs	(39,307)	(24,382)	(202)	(199)	(119)	(64,209)
Other operating income	18,733	-	-	-	-	18,733
Operating profit/(loss)	656	2,911	2	(173)	(58)	3,338
Loss on disposal of assets	(4)	-	-	-	-	(4)
Interest receivable	41	-	-	-	-	41
Interest payable	(36)	-	-	-	-	(36)
Other finance costs	(42)	-	-	-	-	(42)
Net result	615	2,911	2	(173)	(58)	3,297
Gift aid	-	(2,903)	-	-	-	(2,903)
Tax	-	-	-	-	-	-
Retained in the subsidiary	615	8	2	(173)	(58)	394

	Building Research Establishment Limited	BRE Global Limited	FBE Management Limited	ABS	BRE Canada	Total
	2014	2014	2014	2014	2014	2014
Assets and liabilities of the subsidiary	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets	25,480	7	-	-	-	25,487
Current assets	13,233	10,682	326	18	66	24,325
Creditors falling due within one year	(13,192)	(10,037)	(1)	(190)	(583)	(24,003)
Creditors falling due beyond one year	(2,400)	-	-	-	-	(2,400)
Net assets/(liabilities)	23,121	652	325	(172)	(517)	23,409

10 FIXED ASSET INVESTMENTS - continued

ASSOCIATE RESULTS

	2014 £'000	2013 £'000
Share of associates' turnover	-	298
Assets and liabilities of the associate		
Share of fixed assets	524	524
Share of current assets	40	230
Creditors:		
Share of amounts falling due within one year	(305)	(559)
Share of net assets	259	195

FIXED ASSET INVESTMENTS OF THE CHARITY

	Shares in Group undertakings £'000
Cost	
At the beginning of the year and end of the year	5,000
Net Book Value:	
At 31 March 2014	5,000
At 1 April 2013	5,000

11 CURRENT ASSET INVESTMENTS

	Total
	£'000
Market Value at 1 April 2013	2,202
Additions	-
Net interest re-invested	6
Disposals	-
Market value at 31 March 2014	2,208

12 DEBTORS

	2014 £'000 Group	2014 £'000 Charity	2013 £'000 Group	2013 £'000 Charity
Trade debtors	7,952	-	9,437	-
Amounts recoverable on contracts	3,441	-	2,966	-
Amounts due from group undertakings	-	29	-	42
Loans to group undertakings	-	4,999	-	4,795
Other debtors	22	-	473	-
Prepayments	251	-	226	1
	11,666	5,028	13,102	4,838

The loans to group undertakings have been made to the Trust's subsidiary undertakings in accordance with the charitable objectives of the Trust. It is secured on the assets of that company with interest charged at 0.25% (2013: 0.25%) above base rate.

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000 Group	2014 £'000 Charity	2013 £'000 Group	2013 £'000 Charity
Payments received in advance	10,326	20	10,844	53
Trade creditors	1,734	11	1,748	25
Amounts due to group undertakings	-	1,033	-	1,187
Social security and other taxes	1,556	-	1,733	-
Other creditors	384	-	332	-
Accruals	2,030	371	3,106	227
	16,030	1,435	17,763	1,492

14 PROVISIONS FOR LIABILITIES

Future amounts payable relating to:	Directors' Retirement Lump sums £'000	Restructuring £'000	Legal claims £'000	Total £'000
Group:				
At the beginning of the year	351	1,470	60	1,881
Unwinding of discount	-	59	-	59
Utilised in the year	(5)	(114)	-	(119)
Charge to the Statement of Financial Activities	8	41	-	49
At the end of the year	354	1,456	60	1,870

The future amounts payable relating to restructuring costs is a provision made to reflect a liability to make future payments to ex-employees who were made redundant when over the age of 50 and have, under TUPE rules, translated part of their entitlement into an annual compensation payment payable for life.

The legal claim provision is made for possible future litigation including all legal fees, prosecution costs and any other costs imposed or arising.

15 RESERVES

Group	General Fund unrestricted £'000	Revaluation Reserve unrestricted £'000	Other Reserve unrestricted £'000	Total unrestricted funds £'000	Income fund restricted £'000
At 1 April 2013	(14,417)	9,795	1,800	(2,822)	187
Net income/(loss) for the year	317	-	-	317	(68)
Transfer	450	-	(450)	-	-
Actuarial loss recognised in defined benefit pension schemes	(2,615)	-	-	(2,615)	-
Exchange mvt on overseas subsidiary reserves	8	-	-	8	-
At 31 March 2014	(16,257)	9,795	1,350	(5,112)	119

	2014 £'000	2013 £'000
General fund excluding pension liability	13,968	15,271
Pension liability	(30,225)	(29,688)
	(16,257)	(14,417)

Charity	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
At 1 April 2013	8,557	187	8,744
Net deficit for the year	124	(68)	56
At 31 March 2014	8,681	119	8,800

As stated in the accounting policy on intangible assets, negative goodwill is transferred to the profit and loss account reserve over its useful economic life. The cumulative amount of negative goodwill acquired prior to 1998 written to the general fund amounts to £11,483k (2013: £11,032k).

15 RESERVES – continued

The Other Reserve relates to negative goodwill arising on acquisition of the business.

Restricted funds are used for research to improve the performance and reduce the environmental impact of the UK house building industry.

Analysis of group net assets between funds	Revaluation Reserve	Restricted Funds	General unrestricted Funds	Other Reserve	Total
	2014 £'000	2014 £'000	2014 £'000	2014 £'000	2014 £'000
Intangible	-	-	1,343	-	1,343
Tangible	9,795	-	12,992	1,350	24,137
Investments	-	-	10	-	10
Net current assets	-	119	1,493	-	1,612
Provisions	-	-	(1,870)	-	(1,870)
Pension scheme liability	-	-	(30,225)	-	(30,225)
	9,795	119	(16,257)	1,350	(4,993)

16 RECONCILIATION OF NET MOVEMENT IN FUNDS TO OPERATING CASH FLOWS

	2014 £'000	2013 £'000
Net income for the year	249	258
Net outflow on servicing of finance	(42)	(248)
Depreciation of tangible assets	963	948
Amortisation of intangible assets	358	230
Impairment of investment in associate	1,067	-
Profit on sale of assets	4	3
Profit on sale of investments	-	(195)
Share of associate profit	(67)	(181)
Pension costs and other finance income	42	1,544
Pension deficit funding contributions	(2,120)	(2,846)
Unrealised exchange losses	8	-
Movement in working capital:		
(Increase)/decrease in amounts recoverable on contracts	(475)	227
Decrease/(increase) in debtors	1,911	(1,187)
(Decrease)/increase in creditors	(1,733)	400
Decrease/ (increase) in stocks of materials	230	(364)
(Decrease)/increase in provisions	(11)	149
Net cash inflow/(outflow)from operations	384	(1,262)

17 ANALYSIS OF CHANGE IN NET FUNDS

	At 1 April 2013 £'000	Cash flow £'000	At 31 March 2014 £'000
Cash at bank	4,806	(1,172)	3,634
Net funds	4,806	(1,172)	3,634

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014 £'000	2013 £'000
(Decrease)/Increase in cash	(1,172)	84
Movement in net funds	(1,172)	84
Opening net funds	4,806	4,722
Closing net funds	3,634	4,806

19 PENSIONS

The group operates 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). Both defined benefit schemes are funded and closed to future accrual.

The group established a defined contribution stakeholder scheme for employees who commenced employment after 1 January 2002. Members of the LPC and BRE defined benefit pension schemes have also been offered membership of this scheme on the same terms. The group contributes up to 5% of salary so long as the members do the same. However, members can contribute a higher amount if they wish to do so. The pension cost for the year represents contributions payable by the group to the scheme and amounted to £1,839k (2013: £799k).

Contributions to the stakeholder scheme amounting to £157k (2013: £67k) were payable at 31 March and are included in creditors.

The assets of the defined benefit schemes are held separately from those of the group, being invested with Legal and General Assurance (Pensions Management) Limited, Ruffer, Newton, State Street Global Investors and IO Investors Limited. The assets of the stakeholder scheme are invested with Scottish Widows.

19 PENSIONS – continued (BRE Scheme)

Management charges of £373k (2013:£400k) were incurred in respect of the two defined benefit schemes. Contributions to these schemes amounting to £179k (2013: £173k) were payable at 31 March 2014 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 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:

	BRE and LPC Schemes 2014 %pa	BRE and LPC Schemes 2013 %pa	BRE and LPC Schemes 2012 %pa
Rate of increase in salaries	2.20	2.20	2.20
Discount rate for calculation of benefits	4.50	4.40	5.20
Inflation (RPI)	3.20	3.10	3.10

In valuing the liabilities of the pension fund at 31 March 2014, 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:

BRE and LPC Schemes

- Current pensioner aged 65: 21.9 years (male) and 24.1 (female)
- Future retiree upon reaching 65: 24.3 years and 26.5 (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 schemes at that date amounted to £46,438k (2013: £47,742) for the BRE scheme and £19,033k (2013: £19,670k) for the LPC scheme. These amounts were sufficient to cover 68% (2013: 70%) and 69% (2013: 66%) respectively, of the benefits that had accrued to members.

The fair value of the schemes' 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 schemes' liabilities, which are derived from cash flow projections over long years and thus inherently uncertain, were:

19 PENSIONS – continued (BRE Scheme)

	2014 £'000	2013 £'000
Present value of funded defined benefit obligations	(68,079)	(67,477)
Fair value of assets	46,438	47,742
Net deficit	(21,641)	(19,735)

Movements in present value of defined benefit obligation

	2014 £'000	2013 £'000
At 1 April	67,477	57,862
Interest on obligation	2,934	2,967
Actuarial (gain)/losses	(738)	8,264
Benefits paid	(1,594)	(1,616)
At 31 March	(68,079)	67,477

Movements in fair value of assets

	2014 £'000	2013 £'000
At 1 April	47,742	42,869
Expected return on assets	2,926	1,975
Actuarial (loss) / gain	(4,193)	2,215
Contributions by employer	1,557	2,299
Benefits paid	(1,594)	(1,616)
At 31 March	46,438	47,742

19 PENSIONS – continued (BRE Scheme)

Amounts recognised in the consolidated statement of financial activities

	2014 £'000	2013 £'000
Interest on defined benefit obligations	2,934	2,967
Expected return on assets	(2,926)	(1,975)
Resources expended (Other finance costs)	8	992

	2014 £'000	2013 £'000
Actual return less expected return on assets	(4,193)	2,215
Experience loss on liabilities	(149)	(411)
Change in assumptions underlying the present value of the liabilities	887	(7,853)
Actuarial loss	(3,455)	(6,049)

Assets

The major assets and the return on those assets were as follows:

	2014		2013	
	Expected return from 31 March 2014 %	Value as % of Total assets 31 March 2014 %	Expected return from 31 March 2013 %	Value as % of Total assets 31 March 2013 %
Equities	-	-	7.5	72
Bonds	-	-	2.8	26
Diversified Growth Fund	7.5	99	-	-
Cash	0.5	1	0.5	1
Other (Incl hedge funds)	N/A	-	0.7	1
Total assets	7.5	100	6.2	100

19 PENSIONS – continued (BRE Scheme)

Summary of Prior Year Amounts

The history of the scheme for the current and prior periods is as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of scheme liabilities	(68,079)	(67,477)	(57,862)	(53,135)	(54,609)
Fair value of scheme assets	46,438	47,742	42,869	40,429	38,751
Deficit	(21,641)	(19,735)	(14,993)	(12,706)	(15,858)
Gains and (losses) on Scheme liabilities					
Experience	(149)	(411)	(1,233)	183	2,034
change in assumptions	887	(7,853)	(1,899)	3,656	(14,905)
Experience adjustments on scheme assets	(4,193)	2,215	(773)	(1,361)	7,006

In relation to the FRS 17 disclosure no deferred tax has been provided on the net deficit of either scheme as no tax liabilities or benefits are expected to arise for the foreseeable future.

The group expects to contribute approximately £2,122k to its BRE defined benefit scheme in the next financial year.

19 PENSIONS – continued

LPC Pension Scheme

	2014 £'000	2013 £'000
Present value of funded defined benefit obligations	(27,617)	(29,624)
Fair value of assets	19,033	19,670
Net deficit	(8,584)	(9,954)

Movements in present value of defined benefit obligation

	2014 £'000	2013 £'000
At 1 April	29,624	23,817
Interest on obligation	1,283	1,226
Actuarial (gain) / loss	(2,343)	5,063
Benefits paid	(947)	(482)
At 31 March	27,617	29,624

Movements in fair value of assets

	2014 £'000	2013 £'000
At 1 April	19,670	17,893
Expected return on assets	1,249	674
Actuarial (loss)/gain	(1,503)	1,039
Contributions by employer	564	546
Benefits paid	(947)	(482)
At 31 March	19,033	19,670

19 PENSIONS – continued (LPC Scheme)

Amounts recognised in the Consolidated Statement of Financial Activities

	2014 £'000	2013 £'000
Interest on defined benefit obligations	1,283	1,226
Expected return on assets	(1,249)	(674)
Resources expended (Other finance costs)	34	552

	2014 £'000	2013 £'000
Actual return less expected return on scheme assets	(1,503)	1,039
Experience gain / (loss) on the scheme liabilities	1,442	(373)
Change in assumptions underlying the present value of the liabilities	901	(4,690)
Actuarial gain/(loss)	840	(4,024)

Assets

The major assets and the return on those assets were as follows:

	2014		2013	
	Expected return from 31 March 2014 %	Value as % of Total assets 31 March 2014 %	Expected return from 31 March 2013 %	Value as % of Total assets 31 March 2013 %
Equities	-	-	7.5	74
Government Bonds	-	-	2.8	14
Corporate Bonds	-	-	4.1	11
Diversified Growth Fund	7.5	99	-	-
Cash	0.5	1	0.5	1
Total assets	7.5	100	6.4	100

19 PENSIONS – continued (LPC Scheme)

Summary of Prior Year Amounts

The history of the scheme for the current and prior periods is as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Present value of scheme liabilities	(27,617)	(29,624)	(23,817)	(22,926)	(22,580)
Fair value of scheme assets	19,033	19,670	17,893	17,316	16,083
Deficit	(8,584)	(9,954)	(5,924)	(5,610)	(6,497)
Gains and (losses) on Scheme liabilities					
Experience	1,442	(373)	(251)	(141)	(136)
change in assumptions	901	(4,690)	(11)	566	(5,304)
Experience adjustments on scheme assets	(1,503)	1,039	(417)	(150)	2,750

In relation to the FRS 17 disclosure no deferred tax has been provided on the net deficit of either scheme as no tax liabilities or benefits are expected to arise for the foreseeable future.

The group expects to contribute approximately £550k to its LPC defined benefit scheme in the next financial year.

20 FINANCIAL COMMITMENTS

At 31 March 2014 the group had annual commitments under non-cancellable operating lease arrangements as follows:

Plant and machinery expiring:	2014 £'000	2013 £'000
Within one year	12	146
Between two and five years	85	14
	97	160

Land and Buildings expiring:	2014 £'000	2013 £'000
Within one year	42	7
Between two and five years	69	66
	111	73

The following commitments for capital expenditure existed at 31 March for which no provision has been made:

	2014 £'000	2013 £'000
Contracted	185	94

21 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2014 or 31 March 2013 other than those disclosed in note 14.

22 SUBSIDIARY AND ASSOCIATE UNDERTAKINGS

The undertakings in which the group's interest at 31 March 2014 was more than 20% were as follows:

	Interest in ordinary share capital	Activity
Trading Companies:		
BRE Group Limited	100%	Management of subsidiary company operations
Building Research Establishment Limited[##]	100%	Independent advice and information on building performance, construction and fire safety
BRE Certification[+]	100%	Testing and certification of materials and products, and certification of personnel, buildings, process, systems and supply chains
FBE Management Limited[##]	100%	Management of research work
Tri-Air Developments Limited*	34.85%	Exploit new technology in air filtration and cleaning systems
Atypical Business Services Limited*	100%	Consultancy services
BRE Canada Inc*	100%	Consultancy services
Non-Trading Companies:		
BRE Global Limited [##] formerly BRE Global (Newco) Ltd	100%	Testing and certification of materials and products, and certification of personnel, buildings, process, systems and supply chains
BRE (Cardington) Limited * #	100%	Ownership of property used in research activities
BRE International Limited * #	100%	Research work carried out overseas
BRE Projects Limited * #	100%	Ownership of property used in research activities
BRE Waste and Environmental Body Limited*#	100%	Research, development, education and dissemination of information about waste management practices.
Building Performance Services Limited*#	100%	Consultancy services
E-State Pro Limited*#	100%	Consultancy services
Construction Audit Group Limited* #	100%	Consultancy services
EFSG Limited #	100%	Promote a common approach to product conformity certification for products, materials, systems and services connected with fire, security or damage protection.
The Loss Prevention Certification Board Limited * #	100%	Testing and certification of materials and products
Building Performance Group Limited*#	100%	Consultancy services
BRE Clean Technologies Limited*#	100%	Exploit new technology opportunities

* Held through Building Research Establishment Limited
# Dormant company
[##] Held through BRE Group Limited
+ Held through BRE Global Limited formerly BRE Global (Newco) Ltd

The group is a member of the National Centre for Excellence in Housing (non trading), a company limited by guarantee.

All of the subsidiaries and associates are registered in England and Wales with the exception of BRE Canada which is registered in Canada.

23 RELATED PARTY TRANSACTIONS

Due to the nature of the Trust's operations and the composition of the Trustees (holding other executive and non-executive roles) it is inevitable that 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 Trustee's may have an interest are conducted at arms length and in accordance with the Trust's financial regulations and normal sales or procurement procedures.

During the year the group had the following transactions and balances with Tri-Air Developments Limited, a company related by virtue of common directors.

	2014 £'000	2013 £'000
Aggregate sales	116	86
Aggregate debtors owed	308	340

This debt has been fully provided for.