

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

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR**

1 APRIL 2012 - 31 MARCH 2013

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 2012 - 31 March 2013

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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:

Sir Neville I Simms FEng	Chairman
Michael Ankers	(appointed 25 July 2012)
Professor John B Burland CBE, FEng, FRS	(retired 20 February 2013)
Mark Clare	
Professor Leslie A Clark OBE, FEng	(retired 20 February 2013)
John Carter	
Michael Dickson	(appointed 20 February 2013)
Mark Farrar	
Hugh Ferguson	
Richard Gillies	(retired 25 July 2012)
Dr Liz Goodwin	
Richard B Haryott FEng	
Sir Ken Knight CBE, QFSM	
Quentin Leiper	(appointed 20 February 2013)
Peter Lobban OBE	
Ian Tyler	(appointed 7 November 2012)
James Wates CBE, FCIQB, FRSA	
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

Shearrards LLP, 45 Grosvenor Road, St Albans, Herts AL1 3AW

Structure and Governance

The BRE Trust is a charitable company limited by guarantee.

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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.

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:

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- BRE 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.

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.

BRE 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 to manage the activities of the Trust, its assets and investments. These are 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 BRE Trust and its group of companies;
- to ensure the excellence of scientific standards within the BRE group of companies.

All other day to day decisions have been delegated to the boards of directors of the subsidiary 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.

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During the year ended 31 March 2013, 4 Council meetings were held and attendances by those who held office during the year are as follows:

Trustees	Attendance
Sir Neville I Simms	4
Michael Ankers ¹	1
John B Burland ²	2
John Carter	2
Mark Clare	2
Leslie A Clark ²	3
Michael Dickson ³	1
Mark Farrar	4
Hugh Ferguson	3
Richard Gillies ⁴	1
Liz Goodwin	3
Richard B Haryott	4
Sir Ken Knight	2
Quentin Leiper ³	1
Peter Lobban	4
Ian Tyler ⁵	2
James Wates	3

¹ from date of appointment (25 July 2012)

² until date of retirement (20 February 2013)

³ from date of appointment (20 February 2013)

⁴ until date of retirement (25 July 2012)

⁵ from date of appointment (7 November 2012)

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, are the BRE Group Chairman, Martin Wyatt, Chief Executive, Peter Bonfield, and the Finance Director, Russell Heusch.

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 2013 was as follows:

Members	Attendance
Chris Earnshaw	5
Peter Lobban	5
David Szymanski	5

Risk Management

The Trust and the group maintains 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

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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 consists of Martin Wyatt (non-executive Chairman of BRE Group), and Chris Earnshaw and David Szymanski as non-executive Directors of BRE Group.

Business Development

BRE has continued to be successful in developing the range of products and services it offers and remains focussed on innovation, risk and sustainability.

Research Activities of the Trust

As a charity for research and education, the BRE Trust commissions and supports 'for public benefit research' at BRE group of companies and elsewhere. It awards scholarships and bursaries to PhD and provides financial support for the Chairs held by the Directors of the Centres that together form the 'BRE-Universities Partnership'. The Trust is committed through its publication programme to disseminate to the public the outcomes of the innovative research which it supports. 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. In terms of both activity and achievement the Trust has continued to maintain a high level of performance against all of its targets of allocating all funding approved (£1,850k new funding), delivery of agreed outputs milestones on time (85%) and publication of results (50+ new publications released).

During 2012/13 the number of active research projects within the established Responsive Mode Programme was 47 including 26 new projects during the course of the year. Of the total active projects in the Responsive Mode Programme 16 were completed. Included in the total of 47 research projects are 6 'Hot Topics' active at the end of the year. 9 Hot Topics commenced during the year and 6 Hot Topics were completed during the year.

The existing three year Thematic Research Programme on 'Low Impact Materials, Products and Processes' continued and 4 projects are still active. 7 projects from this programme were completed in the year 2012/13.

The new three year Thematic Research programme on 'Future Cities' was launched, with an initial 13 projects approved and activated. This required £775k of funding from the BRE Trust, leveraging an initial additional £1,500k from external sources. During the year another £2,000k of leveraged funding was secured. 2 projects were completed during the year.

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 research funding and ensuring that sponsored researchers and research institutions abide by best practice in research ethics and environmental testing. This is measured as part of the ongoing review of milestones deliverables by the Trust Programme Manager. The Trust's aim is to maximise efficacy of the research programme for the public good whilst minimising the likelihood of harm to researchers and the environment.

BRE University Centres of Excellence

The Trust provided financial support to the five Chairs at the following BRE Centres:

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

In 2012, the Trust and the BRE University Centres continued with the regular six monthly meetings to share information about their activities and encourage collaboration and linked research projects.

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 2013 the following studentships were taken up and new awards made:

Centre for Energy Management, University of Strathclyde

- Development and Testing of Energy Code Compliance Software in the Non-Domestic Sector (Oct 2012)

Centre for Sustainable Materials, University of Bath

- Fire and structural performance of non-metallic timber connections' (Jan 2012)
- Energy and Environmental Performance Analysis of Insulation materials for retrofit applications (Aug 2012)

PhDs completed in 2012/13:

The following BRE Trust funded PhD research projects were completed in 2012/13

Centre for Fire safety and Engineering, University of Edinburgh

- Model assisted fire risk assessment - Nicolas Bal
- Material flammability as CFD model input - Freddie Jervis
- Behaviour of a nuclear containment structure under fire - William Kingston
- Sensor-assisted support tools for live evacuation - Samuel Grindrod
- Design Methods, Tools and Standards for Autonomous Building - James Johnston
- Nonlinear Control of Aircraft and Building Energy System - Joseph Brindley

Centre for Sustainable Materials, University of Bath

- Whole-life cycle performance of low carbon cement systems - Socrates Iannuou
- Fibre Reinforced Polymer (FRP) Stay in Place (SIP) Participating Formwork for New Construction - Xian Gai
- Development of hemp based composite materials for construction - Eddy Hirst
- Effects of compositional variables on durability and performance of alkali activated binders - Kofi Abora

Centre for Energy Management, University of Strathclyde

- How computational fluid dynamics (CFD) can be used in the modelling of buildings and their systems - Obadah Zahar,
- Carbon assessment methodologies for buildings and organisations, Alistair Scott
- Rapid assessment tools and methodologies for modelling of emerging technologies in BRE's Standard Assessment Procedure (SAP) - Gavin Murphy

Centre for Sustainable Design, Cardiff University

- Learning from low carbon design
- Understanding the impact of occupant behaviour on energy consumption within existing homes

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Overall PhD Programme

At the conclusion of 2012/13 there were 24 active PhD projects within the BRE Trust PhD postgraduate scholarship scheme.

Research Programme Generally

The Research Committee met in May 2012 and following some subsequent discussions approved 24 projects for the 2012/13 Responsive Mode Programme.

The Research Committee also met in March and May 2013 to agree which projects should be progressed under the Responsive Mode Programme and the Future Cities – Thematic Mode Programme, with 15 responsive and 8 future cities proposals approved.

Out of a total Trust spend of £3,494k (2012: £3,244k) the Trust spent £782k (2012: £762k) on projects in its managed research programme and £462k (2012: £605k) on its education programmes. The majority of the managed research programme was commissioned principally, but not exclusively, from the Trust's main subsidiary company: BRE Group Limited. In 2012/13 the Trust also spent £134k in the final year of its £1,500k over three years Low Impact Materials Thematic Research Programme and £368k in the first year of its £1,500k Future Cities Thematic Programme.

The BRE Trust published its Annual Review 2012 in July 2013 with a 'highlights of BRE Trust activities' and a summary of the research projects and publications completed during the calendar year ending December 2012. It provides a forum for those who have benefited from BRE Trust funding to summarise their work. Copies of this are distributed at no charge to BRE staff and clients. An electronic version can be downloaded from the BRE Trust web site. This publication has proved a successful method of increasing awareness of Trust activities.

BRE Trust Research Conference

The eighth Research Conference was held on 15 May 2012 and chaired by Dr Liz Goodwin at the British Museum in London. BRE's own annual conference followed in the afternoon.

The BRE Trust Research Conference was an opportunity for those responsible for standards, legislation and regulation to hear first-hand reports of BRE Trust-funded research. The rigorous research plays a key role in developing understanding of fire and security issues and the innovative materials, products and processes that are being introduced into the built environment to reduce environmental impacts. The following Research Projects were presented and followed by a discussion:

- Security Glazing, is it all its cracked up to be?, Richard Flint, BRE
- Monitoring of Code Level 6 Homes at Greenwatt Way, Andy Dengel, BRE
- Dealing with difficult demolition wastes project, Gilli Hobbs, BRE

A selection of research projects of BRE Trust funded PhD students from BRE University Centres of Excellence at University of Bath, Cardiff University and the University of Edinburgh were presented to the Conference:

- Fabric formwork concrete, John Orr, Sustainable Materials, University of Bath
- Fires in compartments in buildings, Augustin Majdaloni, Fire Safety & Engineering, Edinburgh University
- BIM-based design adaptation of Climate Change resilience, Alexandra Cemesova, Sustainable Engineering, Cardiff University

BRE Research Committee

The Research Committee meets at least 5 times per year to agree research projects to be undertaken and review completed research projects. The Research Committee is pleased to report that overall the qualities of the projects reviewed, and which covered a wide range of topics, were good noting that the standard of presentations has improved considerably over the last few years while acknowledging there is still room for further improvement.

Trust Publications Programme

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In the financial year 2012/13, the Trust repeated its successful annual publications programme launched in 2009/10 and in the year 2012/13 £960k was expended, completing many of the outstanding publications from previous years as well as progressing well with those awarded in 2012.

These publications are often definitive sources of data, information and knowledge used by the construction industry, and many are referred to in legislation. It is therefore imperative that they are kept up to date and relevant.

The Trust recognises the important public benefits to be gained from establishing a fully coordinated, core programme of publications that meet the needs of those working in the built environment, and provides funding for publication production by the BRE Group companies. The BRE Trust Publications Committee, chaired by Hugh Ferguson, works in parallel with the Research Committee. The Publications Committee selects and lets contracts for publications on a competitive basis, against a set of criteria agreed by the Trustees, in the same way that the Research Committee selects research projects to support.

This year 26 Trust publications were awarded.

Most BRE Trust publications arise from the Publications Programme. However, during the year, in addition to the publications produced as part of the BRE Trust Publications programme, the following reports in the BRE Trust research series (FB) and Information Papers (IPs), based on the outcomes of BRE Trust funded research projects, were published by IHS-BRE Press:

- FB 45 The cost of poor housing in Northern Ireland. M Davidson, S Nicol, M Roys, H Garrett, A Beaumont and C Turner
- FB 52 Evacuating vulnerable and dependent people from buildings in an emergency, D Crowder and D Charters
- FB 55 Security glazing: is it all that it's cracked up to be? C Devine and R Flint
- IP 11/12 Building-integrated photovoltaic systems: Challenges and opportunities for manufacturers and specifiers. S Pester
- IP15/12 pt1 Smoke detection in high ceiling spaces: Parts 1 & 2: R Chagger
- IP16/12 Service life prediction for timber cladding: Developments in standards and specifications, E Suttie

In addition to the BRE Trust Review 2012, the 52 Trust funded publications produced in the year 2012/13 include:

- FB43 Lessons learned from community-based microgeneration projects: The impact of renewable energy capital grant schemes
- FB46 Ninety years of housing, 1921-2011: Trends relating to living standards, energy use and carbon emissions
- FB47 BREEAM and the Code for Sustainable Homes on the London 2012 Olympic Park: Lessons from the Velodrome, Aquatics Centre and the Olympic and Paralympic Village
- IP17/12 Innovation in Timber Supply at the London 2012 Olympic and Paralympic Games
- FB 53 Refurbishing stairs in dwellings to reduce the risk of falls and injuries
- IP5/12 The importance of energy quality in matching supply and demand
- IP6/12 Passive and reactive fire protection to structural steel
- IP7/12 LCA and REACH: The relationship between life-cycle assessment and the regulation
- IP10/12 Biodiversity offsetting for developments
- IP13/12 The Construction Products Regulation and CE marking
- IP22/12 Site layout planning for sunlight and solar gain
- IP26/12 Asset management and service life of concrete structures and components: Potential benefits of emerging data capture and management technology -
- DG519 Residential sprinklers for fire protection. Part 1: Introduction (Revised 2012)
- DG526 Structural assessment of existing large panel system (LPS) dwelling blocks for accidental loads
- DG366 Structural appraisal of existing buildings, including for a material change of use: 4-part set
- BR 135 Fire performance of external thermal insulation for walls of multi-storey buildings
- BR443 U-value conventions in practice: Worked examples using BR 443
- GR 37 Radon solutions in homes: 3-part set

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- GG82, Rainwater harvesting for domestic properties

The Trust also provided 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 also now published 2 new supplements focused on retrofit and technology.

As mentioned in last year's report, the Trust provided financial support for public benefit to a free web access to many volumes of archived and currently inaccessible valuable BRE research reports and publications which have been superseded or are out of print.

BRE Publications Committee

The Publications Committee met in March 2013 to agree which titles will be produced by BRE and BRE Global in 2013/14 and 14 titles were approved for publication. This will require £195k of Trust funding, and additional proposals are expected to be submitted in the first quarter of 2013/14 for approval for the remaining £215k of funding.

The Trust and Waste Resources and Action Programme

The partnership between the Trust and Waste Resources and Action Programme (WRAP) continued for a fourth consecutive year with a combined grant contribution from both organisations of £99k in 2012/13. The funding enabled the continuation of work following on from the development and delivery of three Resource Efficiency Plans (REAPS) for three sectors: flooring, joinery and packaging.

The REAPS have been extremely effective in bringing the various sectors supply chains together and have enabled industry to identify and deliver on the key actions needed to be more resource-efficient with their materials and products.

Each stakeholder group has met three times during the year. Two core outputs in 2012 have been the launch of online waste reporting and measurement tools for the flooring and timber sectors. One other significant output delivered in 2012/13 has been the development of a fourth REAP for the rigid insulation sector. This follows on from the scoping study completed in 2010/11 to develop a cohesive plan of action for the sector to improve its resource efficiency across the supply chain.

Trust Sponsorships

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

BRE Trust PhD student workshop, attended by 63 students from all 5 UCEs
Sponsorship of the 2012 RIBA Research Symposium
Support for the Subsidence Forum
Support for the IFEE

The BRE Trust and the Worshipful Company of Constructors (WCC) jointly presented the inaugural Royal Charter International Research Award for Young Constructors. This was won by Natacha Redon of Turner and Townsend. Her project will look at creating a project performance model that gives project managers a way of managing the successful delivery of a range of required outcomes for an energy efficient building. It will be conducted across Austria, Germany, France and the UK. She will receive £7,000 towards the cost of her study which will subsequently be published by the BRE Trusts publishing company' IHS BRE Press.

For the seventh consecutive year the Trust has provided financial support enabling a group of sixth form students at Parmiter's School in Watford to participate in the Engineering Education Scheme (England), part of the Royal Academy of Engineering's 'Best' programme. The scheme gives pupils the opportunity to work on a project, guided by a mentor from a company, in this case BRE, so they can experience science, engineering and technology first hand. The students' project on the Green Deal and report "How effective is the Green Deal" gained them a Gold CREST award in the British Association for the Advancement of Science CREST scheme.

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Achievements and Performance

The Trustees are pleased to report that the Charity has achieved its principal objectives for the financial year to 31 March 2013, particularly given the continuing well publicised difficulties faced by the construction sector.

Expenditure of £2,244k by the Trust on its programmes was significantly increased compared with 2012 (£1,694k). Expenditure on the responsive programme was also increased to £782k compared with 2012 (£762k). During the year there were 47 research projects in the Responsive Mode Programme, 26 of which were new projects started in the period. Included in the total of 47 research projects are 6 'Hot Topics' active at the end of the year. 9 Hot Topics commenced during the year and 6 Hot Topics were completed during the year. The Trust had scheduled 74 research milestones for delivery during the year, of which 64 (86%) were delivered within the year.

Expenditure of £502k by the Trust on its Low Impact Materials and Future Cities Thematic Research Programmes was £50k behind budget. During the year there were 24 active projects. The Trust had scheduled 51 milestones for delivery in the year of which 38 (74%) were delivered.

The Trust supported 4 events to promote research in the built environment.

Funding or part funding for 3 PhD studentships were made available during the year.

The collaborative work with WRAP continued from 2009/10 to 2012/13 which is expected to continue for 2013/14.

The Trust assessed performance through the Research Committee on a project by project basis with advice from the Chairman of the Research Committee. All research commissions are granted with identifiable milestones and delivery dates.

Progress and achievements are reported regularly to the Council.

Other Factors Affecting the Group

Personnel Policies

The group 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 and the environment around them, 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 is both energy and resource-efficient.

During 2012/13 BRE continued to drive forward a series of initiatives as part of its environmental policy and strategy of continual improvement. The Group's Sustainability Plan – the 'S Plan', targets our key impact areas including: Energy, Waste, Transport emissions, Water and Ecology issues. Since the S Plan was conceived the Group has:

- Achieved average year-on-year electricity savings of 5% per annum and 7% above the S Plan reduction target set
- Achieved average year-on-year gas savings of 3% per annum, and 8% above the S Plan reduction target set
- Achieved a total reduction in CO₂ emissions of over 1,000 tonnes
- Increased diversion of non-hazardous waste from landfill from 55% to 99.8%

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- Reduced its transport emissions from 1.5 tonnes of CO₂ per employee to 1.3 tonnes
- Taught children from over 335 primary and secondary schools as part of its Education for Sustainable Development programme

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 16 to 18. Net income for the year to 31 March 2013 was £258k (2012: £1,682k). Incoming resources to the charity decreased compared to last year at £3,196k (2012: £3,394k), which was the result of lower gift aid payments from subsidiary companies and donations to research funds. Research expenditure was £3,421k (2012: £3,173k), an increase from the previous year, which demonstrates the growing programme of research that is carried out by the Trust. Given the current market conditions the subsidiary companies performed strongly with their combined net profit before gift aid, of £3,259k being a decrease on that achieved in 2012 of £4,580k.

BRE's turnover reduced to £24,105k (2012: £26,505k) and operating profit reduced to £1,889k (2012 £3,166k) reflecting the difficult market conditions BRE faced throughout the year. BRE Global turnover increased to £23,440 (2012: £22,046k), despite the economic background, by expanding the product range and increasing international activity resulting in an operating profit of £2,718k (2012: £2,099k). FBE Management Limited's income reduced to £305k (2012: £354k) resulting in a net profit of £43k (2012: loss £1k).

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

Pensions Deficit

The FRS17 pension scheme deficits relating to the two defined benefit schemes operated by BRE are incorporated into the balance sheet of Building Research Establishment Limited and of the group. The deficit increased during the year to £29,688k (2012: £20,917k). 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 decreased during the financial year to £8,744k (2011: £9,042k), of which £8,557k is unrestricted (2012: £8,757k). 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 £98k, this does not impact on the Trust as a going concern.

Plans for Future Periods

The Trustees have agreed a programme of funding for 2013/14 so that the Trust can maintain its current research, publication and education expenditure and support new programmes. In the coming year as existing PhD students complete their three year research programmes the Trust plans to allocate up to 2 new fully funded PhD studentships to the Centres within the BRE-Universities Partnership.

The Trust will organise at least three by-invitation seminars, including the annual research conference. In May 2012 the Trust was pleased to publish the results of its research and information programmes to stakeholder groups in its third BRE Trust Annual Review and the initiative was continued with the issue of a fourth BRE Trust Annual Review in July 2013.

The Trust will continue to support Parmiter's School so that students there can again be mentored by staff from the BRE Group to participate in the Royal Academy of Engineering's 'Best' programme.

BRE TRUST

TRUSTEES' ANNUAL REPORT

For the year 1 April 2012 - 31 March 2013

Creditors Payment Policy

The group operates normal trading terms of payment in 45 days when making payments to its creditors.

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

14 August 2013

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 2013 set out on pages 16 to 46. 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 2013 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 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

Matthewman

20/8/13

**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

BRE TRUST

PRINCIPAL ACCOUNTING POLICIES For the year 1 April 2012 - 31 March 2013

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 23. 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.

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.

BRE TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year 1 April 2012 - 31 March 2013

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'.

BRE TRUST

PRINCIPAL ACCOUNTING POLICIES

For the year 1 April 2012 - 31 March 2013

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 2012 – 31 March 2013

	Note	Restricted Funds 2013 £'000	Unrestricted Funds 2013 £'000	Total Funds 2013 £'000	Total Funds 2012 £'000
Incoming Resources					
Incoming resources from generated funds	1				
Activities for generating funds		320	43,919	44,239	44,849
Investment income					
Interest receivable		-	248	248	98
Total incoming resources		320	44,167	44,487	44,947
Resources expended					
Costs of generating funds					
Fundraising trading					
Commercial trading operations	2	-	(40,916)	(40,916)	(39,988)
Charitable activities					
Research commissioned by the Charity		(418)	(3,003)	(3,421)	(3,173)
Governance cost		-	(73)	(73)	(71)
Total charitable and governance expenditure		(418)	(3,076)	(3,494)	(3,244)
Total resources expended		(418)	(43,992)	(44,410)	(43,232)
Share of associate investment profit/(loss)		-	181	181	(31)
Net (outgoing)/incoming resources before other recognised gains and losses		(98)	356	258	1,682
Other recognised losses					
Actuarial losses on defined benefit pension schemes	20	-	(10,073)	(10,073)	(4,584)
Exchange movement on overseas subsidiary reserves		-	111	111	(11)
Tax		-	-	-	(5)
Net movement in funds for the year		(98)	(9,606)	(9,704)	(2,918)
Reconciliation of funds					
Total funds brought forward	16	285	6,784	7,069	9,987
Total funds/(deficit) carried forward		187	(2,822)	(2,635)	7,069

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

BRE TRUST

CONSOLIDATED BALANCE SHEET

As at 31 March 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	9	1,223	880
Tangible assets	10	24,024	24,552
Investments	11	976	740
		<hr/>	<hr/>
		26,223	26,172
Current assets			
Investments	12	2,202	4,045
Stock		364	
Debtors	13	13,102	12,142
Cash		4,806	4,722
Creditors: amounts falling due within one year	14	(17,763)	(17,363)
		<hr/>	<hr/>
Net current assets		2,711	3,546
		<hr/>	<hr/>
Total assets less current liabilities		28,934	29,718
Provisions for liabilities	15	(1,881)	(1,732)
		<hr/>	<hr/>
Net assets excluding pensions liabilities		27,053	27,986
Defined benefit pension scheme liability	20	(29,688)	(20,917)
		<hr/>	<hr/>
Net (liabilities)/assets including pension liabilities		(2,635)	7,069
		<hr/>	<hr/>
Funds of the group			
Unrestricted funds:			
General fund	16	(14,417)	(5,149)
Other reserves	16	1,800	2,249
Revaluation reserve	16	9,795	9,684
Restricted funds:			
Income fund	16	187	285
		<hr/>	<hr/>
Total (deficit)/funds		(2,635)	7,069
		<hr/>	<hr/>

These financial statements were approved by the Trustees on 14 August 2013.

Sir Neville I Simms
Chairman



Company Registration Number: 03282856

The accompanying accounting policies and notes 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 2012 - 31 March 2013

	Note	Restricted Funds 2013 £'000	Unrestricted funds 2013 £'000	Total funds 2013 £'000	Total funds 2012 £'000
Incoming Resources					
Incoming resources from generated funds					
Activities for generating funds					
Research income		320	141	461	534
Investment income					
Gift Aid received	1	-	2,698	2,698	2,826
Group interest received		-	36	36	32
Other interest		-	1	1	2
Total incoming resources		320	2,876	3,196	3,394
Resources expended					
Costs of generating funds					
Research expenditure		(418)	(3,003)	(3,421)	(3,173)
Governance costs		-	(73)	(73)	(71)
Total resources expended		(418)	(3,076)	(3,494)	(3,244)
Net movement in funds for the year		(98)	(200)	(298)	150
Reconciliation of funds					
Total funds brought forward		285	8,757	9,042	8,892
Total funds carried forward		187	8,557	8,744	9,042

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 2013

	Note	2013 £'000	2012 £'000
Investments	11	5,000	5,000
Current assets			
Debtors (including £2,400k (2011: £2,400k) due after more than one year)	13	4,838	4,908
Cash		398	640
Creditors: amounts falling due within one year		(1,492)	(1,506)
Net current assets		3,744	4,042
Net assets		8,744	9,042
Funds of the charity			
Unrestricted funds	16	8,557	8,757
Restricted funds	16	187	285
Total charity funds		8,744	9,042

These financial statements were approved by the Trustees on 14 August 2013.



Sir Neville I Simms
Chairman

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

BRE TRUST**CONSOLIDATED CASH FLOW STATEMENT**

For the year 1 April 2012 – 31 March 2013

	Note	2013 £'000	2012 £'000
Net cash (outflow)/inflow from operating activities			
	17	(1,262)	148
Return on investments and servicing of finance			
Interest paid		-	(1)
Interest received		248	98
		<hr/>	<hr/>
Net cash inflow from return on investments and servicing of finance		248	97
		<hr/>	<hr/>
Capital expenditure and financial investment			
Purchase of tangible fixed assets	10	(313)	(524)
Purchase of intangible fixed assets	9	(573)	(199)
Purchase of current asset investments		(192)	(4,045)
Sale of current asset investments	12	2,231	-
		<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment		1,153	(4,768)
		<hr/>	<hr/>
Acquisitions and Disposals			
Purchase of fixed asset investments	11	(55)	(167)
		<hr/>	<hr/>
Increase/(decrease) in cash in period	18	84	(4,690)
		<hr/>	<hr/>

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

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year 1 April 2012 – 31 March 2013

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 £1,250k (2012: £7,129k) 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	2013 £'000	2012 £'000
Staff costs	4	26,141	26,316
Depreciation of tangible assets	10	948	1,008
Amortisation of intangible assets	9	230	164
Other operating expenses		14,989	14,377
Interest payable	6	-	1
Other finance costs	7	1,544	468
Profit on disposal of investments		(195)	-
Loss on disposal of fixed assets		3	-
Amounts reallocated to charitable activities		(2,744)	(2,346)
		<hr/>	<hr/>
		40,916	39,988
		<hr/>	<hr/>

3 NET MOVEMENT IN FUNDS

Group	2013 £'000	2012 £'000
This is stated after charging:		
Restructuring costs (staff)	1,062	378
Operating lease rentals	187	363
<i>Auditor's remuneration:</i>		
Audit of group and subsidiary financial statements	50	48
Amounts receivable by auditor and associates in respect of:		
Services relating to taxation	30	9
Other services	4	-

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year 1 April 2012 – 31 March 2013

4 STAFF COSTS AND NUMBERS

	2013 £'000	2012 £'000
Group staff costs during the period amounted to:		
Wages and salaries	22,672	22,688
Social security costs	2,374	2,402
Other pension costs	1,095	1,226
	<u>26,141</u>	<u>26,316</u>

During the year the group also made contributions of £2,845k (2012: £2,451k) 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:

	2013 Number	2012 Number
Research staff	531	539
Administration staff	49	50
	<u>580</u>	<u>589</u>

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

Salary band	2013 Number	2012 Number
£60,000 - £69,999	17	17
£70,000 - £79,999	8	9
£80,000 - £89,999	14	10
£90,000 - £99,999	4	4
£100,000 - £109,999	2	2
£110,000 - £119,999	1	-
£120,000 - £129,999	-	1
£130,000 - £199,999	4	5
£200,000 - £299,999	2	1

The total employer contributions in the year for provision of money purchase benefits for higher paid employees were £229k (2012: £229k). The number of higher paid employees (i.e. greater than £60k) to whom retirement benefits are accruing under money purchase schemes was 42 (2012: 42).

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year 1 April 2012 – 31 March 2013

5 TRUSTEES' REMUNERATION AND EXPENSES

No Trustee earned any remuneration in either 2013 or 2012. Out of pocket expenses incurred by Trustees in the furtherance of their duties are reimbursed at cost and totalled £1,128 (2012: £2,377). The whole of this amount related to travel and expenses.

6 INTEREST PAYABLE	2013 £'000	2012 £'000
Interest payable on short term borrowings wholly repayable within 5 years	-	1
	<hr/>	<hr/>
	-	1
	<hr/>	<hr/>

7 OTHER FINANCE (COSTS)/INCOME

	2013 £'000	2012 £'000
Expected return on pension scheme assets	2,649	3,882
Interest on pension scheme liabilities	(4,193)	(4,350)
	<hr/>	<hr/>
	(1,544)	(468)
	<hr/>	<hr/>

8 TAXATION

BRE Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the year and an unrelieved trade loss of £222k arising from the activities of the Building Research Establishment Ltd, a member of the BRE Trust group, has been carried forward to 2013/14.

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**
For the year 1 April 2012 – 31 March 2013**9 INTANGIBLE FIXED ASSETS**

Group	Software	Goodwill	Total
Cost	£'000	£'000	£'000
At 1 April 2012	477	1,361	1,838
Additions	573	-	573
At 31 March 2013	1,050	1,361	2,411
Amortisation			
At 1 April 2012	156	802	958
Charge for year	159	71	230
At 31 March 2013	315	873	1,188
Net book value			
At 31 March 2013	735	488	1,223
At 1 April 2012	321	559	880

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

BRE TRUSTNOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013**10 TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 April 2012	27,513	6,954	440	75	34,982
Additions	35	243	35	-	313
Disposals	-	(983)	(10)	-	(993)
Revaluations	111	-	-	-	111
At 31 March 2013	27,659	6,214	465	75	34,413
Depreciation					
At 1 April 2012	4,239	5,915	221	55	10,430
Charge for year	589	306	49	4	948
Eliminated on disposal	-	(982)	(7)	-	(989)
At 31 March 2013	4,828	5,239	263	59	10,389
Net Book Value					
At 31 March 2013	22,831	975	202	16	24,024
At 1 April 2012	23,274	1,039	219	20	24,552

The policy of not depreciating freehold land has been retained. As at 31 March 2013, 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. The 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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year 1 April 2012 – 31 March 2013

11 FIXED ASSET INVESTMENTS

Group	Interests in associated undertakings £'000	Capital Contribution £'000	Total £'000
Cost			
At the beginning of the year	12	728	740
Additions	9	46	55
Share of associates profit	181	-	181
	<hr/>	<hr/>	<hr/>
At 31 March 2013	202	774	976
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 March 2013	202	781	976
	<hr/>	<hr/>	<hr/>
At 1 April 2012	12	728	740
	<hr/>	<hr/>	<hr/>

The other group investments represents the group's holding in Tri-Air Developments Limited, held through BRE.

During the year BRE made a further capital contribution of £46k (2012: £150k) to Tri-Air Developments Limited and BRE Global invested £9k in Fire Investigation LLP to establish a 25% share in this new joint venture with 3 other members.

The charity investment in subsidiary undertakings is £5,000k (2012: £5,000k). A list of subsidiaries is included at note 23.

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 £181k profit (2012: £31k loss).

BRE TRUSTNOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013**11 FIXED ASSET INVESTMENTS - continued****ASSOCIATE RESULTS**

	2013 £'000	2012 £'000
Share of associates' turnover	298	78
Assets and liabilities of the associate		
Share of fixed assets	524	452
Share of current assets	230	8
Creditors:		
Share of amounts falling due within one year	(559)	(448)
Share of net assets	195	12

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 2013	5,000
At 1 April 2012	5,000

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013

12 CURRENT ASSET INVESTMENTS

	Total
	£'000
Market Value at 1 April 2012	4,045
Additions	-
Net interest re-invested	192
Disposals	(2,035)
Market value at 31 March 2013	<u>2,202</u>

The disposal relates to the BRE's sale of its investment with Invesco.

13 DEBTORS

	2013	2013	2012	2012
	£'000	£'000	£'000	£'000
	Group	Charity	Group	Charity
Trade debtors	9,437	-	8,736	52
Amounts recoverable on contracts	2,966	-	3,193	-
Amounts due from group undertakings	-	42	-	59
Loans to group undertakings	-	4,795	-	4,796
Other debtors	473	-	15	1
Prepayments	226	1	198	-
	<u>13,102</u>	<u>4,838</u>	<u>12,142</u>	<u>4,908</u>

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% (2012: 0.25%) above base rate.

BRE TRUSTNOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £'000 Group	2013 £'000 Charity	2012 £'000 Group	2012 £'000 Charity
Payments received in advance	10,844	53	11,387	195
Trade creditors	1,748	25	1,765	57
Amounts due to group undertakings	-	1,187	-	1,109
Social security and other taxes	1,733	-	1,796	-
Other creditors	332	-	357	-
Accruals	3,106	227	2,058	145
	<u>17,763</u>	<u>1,492</u>	<u>17,363</u>	<u>1,506</u>

15 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	365	1,307	60	1,732
Unwinding of discount	-	52	-	52
Utilised in the year	(94)	(142)	-	(236)
Charge to the Statement of Financial Activities	80	253	-	333
	<u>351</u>	<u>1,470</u>	<u>60</u>	<u>1,881</u>
At the end of the year				

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2012 – 31 March 2013

16 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 2012	(5,149)	9,684	2,249	6,784	285
Net income for the year	356	-	-	356	(98)
Transfer	449	-	(449)	-	-
Actuarial loss recognised in defined benefit pension schemes	(10,073)	-	-	(10,073)	-
Revaluation of land	-	111	-	111	-
At 31 March 2013	(14,417)	9,795	1,800	(2,822)	187
				2013 £'000	2012 £'000
General fund excluding pension liability				15,271	15,768
Pension liability				(29,688)	(20,917)
				(14,417)	(5,149)
Charity			Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
At 1 April 2012			8,757	285	9,042
Net deficit for the year			(200)	(98)	(298)
At 31 March 2013			8,557	187	8,744

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 £11,032 (2012: £10,583k).

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2012 – 31 March 2013

16 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
	2013 £'000	2013 £'000	2013 £'000	2013 £'000	2013 £'000
Intangible	-	-	1,224	-	1,224
Tangible	9,795	-	12,429	1,800	24,024
Investments	-	-	976	-	976
Net current assets	-	187	2,523	-	2,710
Provisions	-	-	(1,881)	-	(1,881)
Pension scheme liability	-	-	(29,688)	-	(29,688)
	<u>9,795</u>	<u>187</u>	<u>(14,417)</u>	<u>1,800</u>	<u>(2,635)</u>

17 RECONCILIATION OF NET MOVEMENT IN FUNDS TO OPERATING CASH FLOWS

	2013 £'000	2012 £'000
Net income for the year	258	1,682
Net outflow on servicing of finance	(248)	(97)
Depreciation of tangible assets	948	1,008
Amortisation of intangible assets	230	164
Profit on sale of assets	3	-
Profit on sale of investments	(195)	-
Share of associate (profit)/loss	(181)	31
Pension costs and other finance income	1,544	468
Pension deficit funding contributions	(2,846)	(2,451)
Unrealised exchange losses	-	(11)
Movement in working capital:		
Amounts recoverable on contracts	227	(440)
Debtors	(1,187)	(1,147)
Creditors	400	934
(Increase)/decrease in stocks of materials	(364)	-
Provisions	149	7
Net cash (outflow)/inflow from operations	<u>(1,262)</u>	<u>148</u>

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013

18 ANALYSIS OF CHANGE IN NET FUNDS

	At 1 April 2012 £'000	Cash flow £'000	At 31 March 2013 £'000
Cash at bank	4,722	84	4,806
Net funds	4,722	84	4,806

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2013 £'000	2012 £'000
Increase/decrease in cash	84	(4,690)
Movement in net funds	84	(4,690)
Opening net funds	4,722	9,412
Closing net funds	4,806	4,722

20 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 £799k (2012: £789k).

Contributions to the stakeholder scheme amounting to £67k (2012: £66k) were payable at 31 March 2013 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 were invested with Aviva upto 31 March 2013. Scottish Widows became the provider from 1 April 2013 and staff have been given the opportunity to transfer their Aviva benefits to the new Scottish Widows plan.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2012 – 31 March 2013

Management charges of £400k (2012:£393k) were incurred in respect of the two defined benefit schemes. Contributions to these schemes amounting to £173k (2012: £158k) were payable at 31 March 2013 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 2013 %pa	BRE and LPC Schemes 2012 %pa	BRE and LPC Schemes 2011 %pa
Rate of increase in salaries	2.20	2.20	2.50
Discount rate for calculation of benefits	4.40	5.20	5.80
Inflation (RPI)	3.10	3.10	3.30

In valuing the liabilities of the pension fund at 31 March 2013, 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 24.6 (female)
- Future retiree upon reaching 65: 24.3 years

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 £47,742k (2012: £42,869k) for the BRE scheme and £19,670k (2012: £17,893k) for the LPC scheme. These amounts were sufficient to cover 70% (2012: 74%) and 66% (2012: 75%) 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:

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**
For the year 1 April 2012 – 31 March 2013**BRE Pension Scheme**

	2013 £'000	2012 £'000
Present value of funded defined benefit obligations	(67,477)	(57,862)
Fair value of assets	47,742	42,869
Net deficit	<u>(19,735)</u>	<u>(14,993)</u>

Movements in present value of defined benefit obligation

	2013 £'000	2012 £'000
At 1 April	57,862	53,135
Interest on obligation	2,967	3,040
Actuarial losses	8,264	3,132
Benefits paid	(1,616)	(1,445)
At 31 March	<u>67,477</u>	<u>57,862</u>

Movements in fair value of assets

	2013 £'000	2012 £'000
At 1 April	42,869	40,429
Expected return on assets	1,975	2,702
Actuarial gain/(loss)	2,215	(773)
Contributions by employer	2,299	1,956
Benefits paid	(1,616)	(1,445)
At 31 March	<u>47,742</u>	<u>42,869</u>

BRE TRUSTNOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013**20 PENSIONS – continued (BRE Scheme)****Amounts recognised in the consolidated statement of financial activities**

	2013 £'000	2012 £'000
Interest on defined benefit obligations	2,967	3,040
Expected return on assets	(1,975)	(2,702)
	<hr/>	<hr/>
Resources expended (Other finance costs)	992	338
	<hr/>	<hr/>
	2013 £'000	2012 £'000
Actual return less expected return on assets	2,215	(773)
Experience loss on liabilities	(411)	(1,233)
Change in assumptions underlying the present value of the liabilities	(7,853)	(1,899)
	<hr/>	<hr/>
Actuarial loss	(6,049)	(3,905)
	<hr/>	<hr/>

Fair Value

The fair value of the assets and the return on those assets were as follows:

	2013			2012		
	Fair value	Expected return from 31 March 2013	Value as % of Total assets	Fair value	Expected return from 31 March 2012	Value as % of Total assets
	£'000	%	%	£'000	%	%
Equities	34,260	7.5	72	15,450	7.5	36
Bonds	12,570	2.8	26	19,000	3.1	44
Cash	540	0.5	1	5,804	0.5	14
Other (Incl hedge funds)	372	0.7	1	2,615	7.0	6
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	47,742	6.2	100	42,869	4.6	100
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Actual return on assets	4,190			1,929		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

BRE TRUSTNOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013**20 PENSIONS – continued (BRE Scheme)****Summary of Prior Year Amounts**

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

Balance sheet

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Present value of scheme liabilities	(67,477)	(57,862)	(53,135)	(54,609)	(40,038)
Fair value of scheme assets	47,742	42,869	40,429	38,751	29,659
Deficit	(19,735)	(14,993)	(12,706)	(15,858)	(10,379)

Experience gains and losses

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Experience loss / (gain) on scheme liabilities	411	1,233	(183)	(2,034)	(529)
As a percentage of scheme liabilities	0.6%	2.3%	(0.3%)	(3.7%)	(1.3%)
Experience gain / (loss) on scheme assets	2,215	(773)	(1,361)	7,006	(8,716)
As a percentage of scheme assets	4.6%	(1.9%)	(3.4%)	18.1%	(29.4%)
Total actuarial loss recognised in statement of financial activities	(6,049)	(3,905)	2,478	(5,865)	(2,575)
As percentage of scheme liabilities	9.0%	6.7%	(4.7%)	10.7%	6.4%

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 £1,531k to its BRE defined benefit scheme in the next financial year.

BRE TRUSTNOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013**20 PENSIONS – continued****LPC Pension Scheme**

	2013 £'000	2012 £'000
Present value of funded defined benefit obligations	(29,624)	(23,817)
Fair value of assets	19,670	17,893
Net deficit	(9,954)	(5,924)

Movements in present value of defined benefit obligation

	2013 £'000	2012 £'000
At 1 April	23,817	22,926
Interest on obligation	1,226	1,310
Actuarial loss	5,063	262
Benefits paid	(482)	(681)
At 31 March	29,624	23,817

Movements in fair value of assets

	2013 £'000	2012 £'000
At 1 April	17,893	17,316
Expected return on assets	674	1,180
Actuarial gain/(loss)	1,039	(417)
Contributions by employer	546	495
Benefits paid	(482)	(681)
At 31 March	19,670	17,893

BRE TRUST**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2012 – 31 March 2013

20 PENSIONS – continued (LPC Scheme)**Amounts recognised in the Consolidated Statement of Financial Activities**

	2013 £'000	2012 £'000
Interest on defined benefit obligations	1,226	1,310
Expected return on assets	(674)	(1,180)
	<hr/>	<hr/>
Resources expended (Other finance costs)	552	130
	<hr/>	<hr/>
	2013 £'000	2012 £'000
Actual return less expected return on scheme assets	1,039	(417)
Experience loss on the scheme liabilities	(373)	(251)
Change in assumptions underlying the present value of the liabilities	(4,690)	(11)
	<hr/>	<hr/>
Actuarial loss	(4,024)	(679)
	<hr/>	<hr/>

Fair Value

The fair value of the assets and the return on those assets were as follows:

	2013			2012		
	Fair value	Expected return from 31 March 2012	Value as % of Total assets	Fair value	Expected return from 31 March 2012	Value as % of Total assets
	£'000	%	%	£'000	%	%
Equities	14,600	7.5	74	6,214	6.4	35
Bonds	2,104	4.1	11	2,464	4.6	14
Gilts	2,865	2.8	14	6,178	3.1	34
Cash	101	0.5	1	1,859	0.5	10
Other	-	-	-	1,178	5.1	7
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	19,670	6.7	100	17,893	4.3	100
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Actual return on assets	1,713			763		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

BRE TRUSTNOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013**20 PENSIONS – continued (LPC Scheme)****Summary of Prior Year Amounts**

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

Balance sheet

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Present value of scheme liabilities	(29,624)	(23,817)	(22,926)	(22,580)	(16,455)
Fair value of scheme assets	19,670	17,893	17,316	16,083	12,613
Deficit	(9,954)	(5,924)	(5,610)	(6,497)	(3,842)

Experience gains and losses

	2013 %/£'000	2012 %/£'000	2011 %/£'000	2010 %/£'000	2009 %/£'000
Experience loss / (gain) on scheme liabilities	373	251	141	136	(155)
As a percentage of scheme liabilities	1%	1%	1%	1%	(1%)
Experience gain / (loss) on scheme assets	1,039	(417)	(150)	2,750	(3,711)
As a percentage of scheme assets	5.3%	(2.3%)	(1%)	17.1%	(29.4%)
Total gain / (loss) recognised in statement of financial activities	4,395	(679)	275	(2,690)	(2,814)
As percentage of scheme liabilities	14.8%	2.9%	(1.2%)	11.9%	17.1%

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2012 – 31 March 2013

21 FINANCIAL COMMITMENTS

- a) At 31 March 2013 the group had annual commitments under non-cancellable operating lease arrangements as follows:

	2013 £'000	2012 £'000
Plant and machinery expiring:		
Within one year	146	8
Between two and five years	14	194
	<u>160</u>	<u>202</u>
Land and Buildings expiring:		
Within one year	7	13
Between two and five years	66	16
	<u>73</u>	<u>29</u>

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

	2013 £'000	2012 £'000
Contracted	94	52

22 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2013 or 31 March 2012 other than those disclosed in note 15.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS
For the year 1 April 2012 – 31 March 2013

23 SUBSIDIARY AND ASSOCIATE UNDERTAKINGS

The undertakings in which the group's interest at 31 March 2013 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 Global Limited ^{##}	Limited by guarantee	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
BRE Canada Inc*	100%	Consultancy services
Non-Trading Companies:		
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.
Atypical Business Services Limited*#	100%	Consultancy services
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

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.

BRE TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2012 – 31 March 2013

24 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 with ISA Ltd, a company related by virtue of common directors. ISA ceased trading on 5 December 2012 and the trade was transferred and continued by BRE Global, a BRE Trust group company.

	2013 £'000	2012 £'000
Aggregate sales	95	386
Aggregate purchases	-	249
Aggregate debtors	-	218

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

	2013 £'000	2012 £'000
Aggregate sales	86	117
Aggregate debtors owed	340	318

This debt has been fully provided for.