

BUILDING RESEARCH ESTABLISHMENT LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR

1 APRIL 2010 - 31 MARCH 2011

Company Registration Number: 3319324

BUILDING RESEARCH ESTABLISHMENT LIMITED

FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

Registered office: Bucknalls Lane
Garston
Watford
Herts
WD25 9XX

Bankers: Barclays Bank Plc
Level 28
1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitors: Sherrards
45 Grosvenor Road
St Albans
Herts
AL1 3AW

Auditors: KPMG LLP
Aquis Court
31 Fishpool Street
St Albans
Herts
AL3 4RF

BUILDING RESEARCH ESTABLISHMENT LIMITED

FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

INDEX	PAGE
Chairman's statement	1 - 2
Report of the Directors	3 - 4
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	5
Independent auditors' report to the members of Building Research Establishment Limited	6 - 7
Principal accounting policies	8 - 10
Profit and loss account	11
Balance sheet	12
Statement of total recognised gains and losses	13
Reconciliation of movements in total reserves	13
Notes to the financial statements	14 – 32

BUILDING RESEARCH ESTABLISHMENT LIMITED

CHAIRMAN'S STATEMENT

For the year 1 April 2010 - 31 March 2011

Building Research Establishment Limited ("BRE") is a wholly owned subsidiary of BRE Group Limited and the ultimate parent undertaking and controlling party is BRE Trust, which is a non profit distributing company with no share capital and limited by guarantee and a charity.

Chairman's Report

The continued difficult economic climate and changes in Government through 2010/11 have both made trading conditions unpredictable. Greater commercial focus, new business winning, improved operations, cost control and efficient delivery have helped us achieve a good profit outturn for our main core business, during another very challenging year. Our Training and BRE Ireland businesses performed less well than in 2009/10, and our Ventures Business accrued £150k higher costs. The General Election, comprehensive Government spending review and government austerity measures have meant that the amount of work within the public sector had decreased by over 30% by the end of the year. We have therefore focussed effort on:

- re-establishing our research-based activities which have helped us to grow our revenue base and enhance our reputation as one of the world's leading providers of independent and authoritative information;
- creating products and tools which allow and enable consistent outcomes for our clients and customers at a global level with local adaptation ie standards, specifications, models, training and certification;
- driving and enabling change through experience and expert knowledge.

These income streams have ensured that we have been able to substitute for the decline in Government and public sector work by capitalising on the opportunities within the private sector - growing our performance in this area by over 25%. We have however also retained our established and strong relationships with our public sector customer base, which has helped ensure that we have continued to be successful in our working relationship with them. These positive relationships will be pivotal during 2011/12 to ensure we retain and grow our activities for the public sector. We enter 2011/12 with a strong pipeline of work both nationally and internationally. There is no doubt that 2011/12 will continue to be a difficult year. However by appropriate positioning and ensuring the business is relevant and fit for the future, we can continue to drive change that delivers better outcomes across the built environment both nationally and internationally both for the short and long term focus. We remain vigilant and proactive in taking the early actions required to support and protect our business. Operationally, we have improved our performance to deliver measurable efficiency improvements across our business.

Market Background

In the UK and around the world we are facing an era of unprecedented change, which will have a significant impact on the built environment because it provides the infrastructure for almost everything we do. The main drivers are:

- Climate change and its mitigation- buildings account for almost 50% of CO2.
- Adaption to climate change & severe weather outcomes.
- Rapid population growth and urbanisation and resource utilization.
- Austerity: less Government funding & public spending, slow economic growth.
- Global corporates are realizing that sustainability is a business imperative.
- The ageing demographic and future healthcare delivery.
- Advanced technology development and integration.
- Globalisation: the products and services we develop have to be delivered globally and adapted locally.

Demand for our skills in the above areas has continued to grow with many major companies now responding to the challenge of climate change and their brand positioning. Our business continues to reflect these drivers for change in the research it conducts, in the services it offers and the products and tools it develops. Major drivers to the growth of our business derive from the global agenda on innovation and enterprise, skills shortages, climate change and sustainability. We are well placed to further capitalise on the requirement for independent, expert, market and policy focussed advice, consultancy and research.

BUILDING RESEARCH ESTABLISHMENT LIMITED

CHAIRMAN'S STATEMENT

For the year 1 April 2010 - 31 March 2011

Development of the Business

BRE has continued to be successful in developing the range of products and services it offers to both government and private sectors, and remains focussed on innovation, risk and sustainability. We have grown our work with FTSE 100 companies and major corporate companies have accelerated the development of these offerings as well as remaining pivotal to influencing Government policy and regulation.

In the coming year we anticipate remaining profitable with good cash flow, although the business environment we operate in remains difficult. However, the need for sustainability, innovation and technical expertise will remain and we are strongly placed to be able to take advantage of the business opportunities that arise.

BRE continues to be a truly 'people business' which relies on the dedication, skill and integrity of its staff, many of whom are recognised nationally and internationally as experts in their field, to drive it forward. The last twelve months have demonstrated the ability of our staff to continue to grow the business in both existing and new markets. We are confident that they will continue to rise to the many challenges and opportunities that lie ahead.

Board of Directors

The membership of the Board of Directors throughout the year is set out below.

Chairman
Chief executive

Martin J Wyatt
Peter Bonfield
Russell Heusch



Martin J Wyatt
Chairman

14 July 2011

BUILDING RESEARCH ESTABLISHMENT LIMITED

REPORT OF THE DIRECTORS

For the year 1 April 2010 - 31 March 2011

The Directors have pleasure in presenting their report for the year ended 31 March 2011. A full list of directors appears in the Chairman's report.

Principal activity

The principal activity of the company is to provide independent advice and information on building performance, construction and fire safety in the United Kingdom.

Review of the business

The profit achieved by the company before gift aid and taxation is £1,186k (2010: £1,476k). The Directors consider the profit achieved on ordinary activities to be satisfactory. Further information on the review of business is given within the Chairman's report.

Risks

The risk management process in BRE seeks to enable the early identification, evaluation and effective management of the key risks facing the business at operational level and to operate internal controls, which adequately mitigate these risks. The company regularly assesses its risk management activities to ensure good practice in all areas. BRE is ISO 9001 accredited.

The principal risk and uncertainty affecting the business outside of the current economic climate is credit risk. The business is exposed to counterparty credit risk when dealing with customers and from certain financing activities. The Company maintains strong relationships with each of its key customers and has established credit control parameters. Credit evaluations are performed on all customers requiring significant credit and outstanding debts are continuously monitored by each business. Concentrations of credit risk are limited as a result of the large and diverse customer base.

Proposed Dividends

The directors do not propose the payment of a dividend (2010: Nil).

Personnel policies

The company has instituted means of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company.

This is achieved through open meetings, newsletters and consultations with employee representatives. 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's 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 2010/11 BRE's Sustainability Action Team continued to drive forward a series of initiatives, including the launch of the BRE Bike Pool, and Cycle to Work scheme, as part of our environmental policy and strategy of continual improvement. The group continued to make good progress with a reduction in total waste generated of over 100 tonnes and total waste diverted from landfill of 90%. BRE has benefited from investment in energy efficiency measures on the Garston site that has resulted in reductions in gas and electricity consumption. In June 2011 The BRE Group was awarded first place in the *larger firm with low environmental impact* category of the Sunday Times Best Green Companies Listing. It also achieved 11th place in the overall rating that acknowledges organisations with a pioneering approach to improving their environmental performance.

Please see the BRE Sustainability Report 2010 for further details on eKPIs, as well as a look back on our performance against last year's objectives and the objectives for the year ahead.

BUILDING RESEARCH ESTABLISHMENT LIMITED

REPORT OF THE DIRECTORS

For the year 1 April 2010 - 31 March 2011

Political and charitable donations

The company made no political donations (2010 £Nil) during the year and charitable donations of £6k during the year (2010 £Nil).

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

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



BY ORDER OF THE BOARD
Peter Bonfield
Director

Bucknalls Lane
Garston
Watford
WD25 9XX

Company Registration Number: 3319324

14 July 2011

BUILDING RESEARCH ESTABLISHMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and to prevent and detect fraud and other irregularities.



KPMG LLP

Aquis Court
31 Fishpool Street
St Albans
AL3 4RF
United Kingdom

Independent auditors' report to the members of Building Research Establishment Limited

We have audited the financial statements of Building Research Establishment Limited for the year ended 31 March 2011, set out on pages 8 to 32. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law 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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of the company's profit 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 requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Building Research Establishment Limited (*continued*)

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 requires us to report to you if, in our opinion:

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

A. Mead

19 August 2011

A Mead (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

BUILDING RESEARCH ESTABLISHMENT LIMITED

PRINCIPAL ACCOUNTING POLICIES

For the year 1 April 2010 - 31 March 2011

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost convention. The principal accounting policies are set out below and have remained unchanged from the previous year

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

Under FRS 1 'Cash Flow Statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of BRE Trust, the company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has, therefore, not disclosed transactions or balances with entities which are wholly owned subsidiaries of the group (or investees of the group qualifying as related parties). The consolidated financial statements of BRE Trust, within which this company is included, can be obtained from the address at the front of the financial statements.

BASIS OF CONSOLIDATION

BRE, as a wholly owned subsidiary of BRE Group Limited and the ultimate parent undertaking and controlling party being BRE Trust, is exempt by virtue of s400 of the Companies Act 2006 from preparing consolidated financial statements. Consequently, these financial statements only present information about the company.

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 to purchase licence agreements is capitalised and written off over the useful economic life of the licence and will not exceed 20 years.

TURNOVER

Turnover represents the invoiced amount of research and technical consultancy and amounts recoverable on contracts. Turnover is stated net of value added tax.

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.

BUILDING RESEARCH ESTABLISHMENT LIMITED

PRINCIPAL ACCOUNTING POLICIES

For the year 1 April 2010 - 31 March 2011

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation has been provided at rates calculated to write off the cost of each asset over its expected useful life on a straight line basis, as shown below:

Leasehold Improvements	8 years
Freehold buildings	5-20 years
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.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

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 profit 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.

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 establishment of BRE Training business (which includes Home Inspectors) were capitalised and are being amortised over three years. The Directors consider that since there was a substantial amount of one off cost to establish this business and BRE will generate strong sales for a period of at least three years that the development costs should be matched against the future income.

BUILDING RESEARCH ESTABLISHMENT LIMITED

PRINCIPAL ACCOUNTING POLICIES

For the year 1 April 2010 - 31 March 2011

POST-RETIREMENT BENEFITS

The Group operates two pension schemes providing benefits based on final pensionable pay. The BRE pension Scheme was closed to future accruals on 1 March 2007. The assets of the scheme are held separately from those of the Group.

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 company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company 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.

DEFERRED CAPITAL GRANTS

Capital grants are amortized through the profit and loss account in line with the depreciation of the asset to which the grant relates.

INVESTMENTS

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

BUILDING RESEARCH ESTABLISHMENT LIMITED**PROFIT AND LOSS ACCOUNT**

For the year 1 April 2010 to 31 March 2011

	Note	Before Gift Aid 2011 £'000	Gift Aid 2011 £'000	2011 £'000	2010 £'000
Turnover	1	24,647	-	24,647	26,813
Staff costs	3	(26,364)	-	(26,364)	(26,930)
Depreciation of tangible assets	10	(1,112)	-	(1,112)	(918)
Amortisation of intangible assets	9	(105)	-	(105)	(86)
Operating expenses		(9,203)	-	(9,203)	(10,789)
Other operating income	5	14,262	-	14,262	14,656
Operating profit	2	2,125	-	2,125	2,746
Profit/(loss) on disposal of fixed assets in continuing operations		18	-	18	(1)
Interest receivable		21	-	21	5
Interest payable	6	(28)	-	(28)	(30)
Other finance cost	7	(950)	-	(950)	(1,244)
Payment of Gift Aid to BRE Trust		-	(621)	(621)	(895)
Profit/(loss) on ordinary activities before taxation		1,186	(621)	565	581
Tax on profit from ordinary activities	8	-	-	-	-
Profit/(loss) for the financial year		1,186	(621)	565	581

All recognised gains and losses are included in the profit and loss account and derive from continuing activities.

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

BUILDING RESEARCH ESTABLISHMENT LIMITED**BALANCE SHEET**

For the year 1 April 2010 to 31 March 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Intangible assets	9	575	680
Tangible assets	10	25,251	25,050
Investments	11	802	569
		<hr/>	<hr/>
		26,628	26,299
Current assets			
Debtors	12	6,834	8,686
Cash		8,238	6,293
Creditors: amounts falling due within one year	13	(13,883)	(13,314)
		<hr/>	<hr/>
Net current assets		1,189	1,665
		<hr/>	<hr/>
Total assets less current liabilities		27,817	27,964
Creditors: amounts falling due after more than one year	14	(2,400)	(2,400)
Provision for liabilities	15	(1,726)	(1,604)
Deferred capital grant	16	(1,202)	(750)
		<hr/>	<hr/>
Net assets excluding pension liabilities		22,489	23,210
Pension scheme liabilities	19	(18,316)	(22,355)
		<hr/>	<hr/>
Net assets including pension liabilities		4,173	855
		<hr/>	<hr/>
Capital and reserves			
Share capital	17	-	-
Share premium	18	5,000	5,000
Profit and loss account	18	(13,210)	(16,978)
Revaluation reserve	18	9,684	9,684
Other reserves	18	2,699	3,149
		<hr/>	<hr/>
Shareholder's funds	18	4,173	855
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 14 July 2011.

Russell Heusch
Director

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

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

Statement of total recognised gains and losses	2011 £'000	2010 £'000
Profit for financial year	565	581
Actuarial loss recognised in the pension scheme	2,753	(8,555)
Unrealised loss revaluation of assets	-	(12,807)
Total recognised gains and losses relating to the financial year	3,318	(20,781)

Reconciliation of movements in total reserves	2011 £'000	2010 £'000
Profit for financial year	565	581
Actuarial profit/(loss) recognised in the pension scheme	2,753	(8,555)
Unrealised loss on revaluation of assets	-	(12,807)
Net addition to total reserves	3,318	(20,781)
Opening reserves	855	21,636
Closing reserves	4,173	855

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

1 TURNOVER

Turnover and profit before taxation are attributable to the company's principal activity in the UK.

Turnover and operating expenses exclude recharges of £35,314k (2010: £21,203k) where the company has undertaken to negotiate and contract with third parties on behalf of clients and to subsequently recharge the clients at cost.

2 OPERATING PROFIT

	2011 £'000	2010 £'000
The operating profit is stated after charging:		
Restructuring costs	433	63
Depreciation of tangible fixed assets	1,112	918
Amortisation of intangible assets	105	86
Operating lease rentals	491	493
<i>Auditors' remuneration:</i>		
Audit of these financial statements	60	56
Amounts receivable by auditors and their associates in respect of:		
Services relating to taxation	10	9
Other services	11	21

3 STAFF COSTS

	2011 £'000	2010 £'000
Staff costs, including directors' remuneration, during the period amounted to:		
Wages and salaries	22,463	23,077
Social security costs	2,339	2,410
Other pension costs	1,562	1,443
	<hr/>	<hr/>
	26,364	26,930
	<hr/>	<hr/>

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

	2011 Number	2010 Number
Research staff	548	554
Administration staff	51	48
	<hr/>	<hr/>
	599	602
	<hr/>	<hr/>

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

4 DIRECTORS' REMUNERATION

	2011 £'000	2010 £'000
Directors' emoluments	630	836
Company contributions to defined contribution pension schemes	35	66
	<u>665</u>	<u>902</u>

During the period two executive directors participated in the defined contribution pension scheme. The aggregate of emoluments of the highest paid director was £238k (2010: £255k), and Company pension contributions of £ nil (2010: £27k) were made to a defined contribution scheme on his behalf.

5 OTHER OPERATING INCOME

Other operating income relates to costs recharged to other BRE Trust subsidiary undertakings.

6 INTEREST PAYABLE

	2011 £'000	2010 £'000
Interest payable to group undertakings	25	23
Interest payable on short term borrowings wholly repayable within 5 years	-	1
Interest payable on leases	3	6
	<u>28</u>	<u>30</u>

7 OTHER FINANCE (COSTS)/INCOME

	2011 £'000	2010 £'000
Expected return on pension scheme assets	3,505	2,619
Interest on pension liabilities	(4,455)	(3,863)
	<u>(950)</u>	<u>(1,244)</u>

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

8 TAXATION

It is company policy that taxable profits made by Building Research Establishment Limited are donated to BRE Trust under "Gift Aid". The Directors consider this arrangement will remain in place for the foreseeable future.

The tax credit represents:

	2011 £'000	2010 £'000
UK Corporation tax		
Current tax on income for the period at 28% (2010: 28%)	-	-

The current tax charge for the period is lower (2010: lower) than the standard rate of corporation tax in the UK, 28% (2010: 28%). The differences are explained below.

	2011 £'000	2010 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	563	581
Current tax at 28% (2010: 28%)	158	163
<i>Effects of:</i>		
Expenses not deductible for tax purposes	28	27
Depreciation in excess of capital allowances	144	65
Other timing differences	(222)	(184)
R&D relief	(56)	(54)
Deferred capital grant	(52)	-
Brought forward losses utilised		(17)
Total current tax credit	-	-

The company has an unrecognised deferred tax asset of £209k (2010: £225k) in respect of tax losses available for offset against future profits. However the Directors have considered it prudent not to recognise a deferred tax asset in respect of these losses in the accounts. The deferred tax asset would be recovered if there were suitable taxable profits in future periods.

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010.

On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011. The change in corporation tax will affect the tax payable in future periods but the effect is unlikely to be material. The deferred tax asset has been calculated at 26%, being the rate at which it is expected to be recovered.

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year 1 April 2010 - 31 March 2011**9 INTANGIBLE FIXED ASSETS**

	Goodwill	Set-up costs	Total
	£'000	£'000	£'000
Cost			
At 1 April 2010	1,292	36	1,328
At 31 March 2011	1,292	36	1,328
Amortisation			
At 1 April 2010	648	-	648
Charge for period	69	36	105
At 31 March 2011	717	36	753
Net book value			
At 31 March 2011	575	-	575
At 1 April 2010	644	36	680

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

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

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 2010	26,560	7,596	352	51	34,559
Additions	825	416	48	24	1,313
Disposals	-	(635)	(22)	-	(657)
At 31 March 2011	27,385	7,377	378	75	35,215
Depreciation					
At 1 April 2010	3,074	6,203	183	49	9,509
Charge for period	582	496	32	2	1,112
Eliminated on disposal	-	(635)	(22)	-	(657)
At 31 March 2011	3,656	6,064	193	51	9,964
Net Book Value					
At 31 March 2011	23,729	1,313	185	24	25,251
At 1 April 2010	23,486	1,393	169	2	25,050

The policy of not depreciating freehold land has been retained. As at 31 March 2011, freehold land is held at the revalued amount of £18,134k. 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 2010 by Stephen Wolfe (BSC, MRICS, IRRV) of Strutt & Parker. The directors are not aware of any material change in value and therefore the valuation set out above has not been updated.

During the year the company entered into finance lease agreements for certain plant and machinery assets. The details are as follows:

	£'000
Depreciation charged in year	86
Net book value as at 31 March 2011	-
Net book value as at 31 March 2010	86

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

11 FIXED ASSET INVESTMENTS

	Interests in associated undertakings (including joint ventures)	Capital Contribution	Total
	£'000	£'000	£'000
Cost			
At the beginning of the year	142	427	569
Additions	-	233	233
	<hr/>	<hr/>	<hr/>
At 31 March 2011	142	660	802
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 March 2011	142	660	802
	<hr/>	<hr/>	<hr/>
At 1 April 2010	142	427	569
	<hr/>	<hr/>	<hr/>

12 DEBTORS

	2011 £'000	2010 £'000
Trade debtors	3,917	4,591
Amounts recoverable on contracts external to group	1,980	3,169
Amounts recoverable on contracts internal to group	766	589
Amounts due from group undertakings	-	167
Other debtors	18	7
Prepayments	153	163
	<hr/>	<hr/>
	6,834	8,686
	<hr/>	<hr/>

BRE is acting as agent for the payment of grants from the big lottery and low carbon building programme and the balances are excluded from these accounts.

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

13 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts due on finance leases	-	34
Payments received in advance from external clients	3,132	4,080
Payments received in advance from internal clients	11	10
Trade creditors	1,508	1,295
Amounts due to group undertakings	5,779	3,259
Social security and other taxes	1,841	1,773
Other creditors	429	391
Accruals	1,183	2,472
	<u>13,883</u>	<u>13,314</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £'000	2010 £'000
Amounts due to group undertakings	2,400	2,400
	<u>2,400</u>	<u>2,400</u>

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

15 PROVISIONS FOR LIABILITIES

	Directors Retirement Lump sums £'000	Litigation £'000	Restructuring £'000	Total £'000
Balance brought forward	218	60	1,326	1,604
Utilised in the period	(5)	-	(133)	(138)
Transferred to the Profit and Loss Account	150	-	110	260
Balance carried forward	363	60	1,303	1,726

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.

16 DEFERRED GRANT

The deferred grant represents monies received in respect of building refurbishment costs included under fixed assets and will be released to the profit and loss account in line with future depreciation of the asset.

17 SHARE CAPITAL

	2011 £	2010 £
Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
Allotted: Issued and fully paid 7 ordinary shares of £1 each	7	7

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

18 MOVEMENTS ON RESERVES AND SHAREHOLDERS' FUNDS

	Profit and Loss Account £'000	Revaluation Reserve £'000	Share Premium £'000	Other Reserve £'000	Shareholders' Funds £'000
At 1 April 2010	(16,978)	9,684	5,000	3,149	855
profit for the year	565	-	-	-	565
Transfer	450	-	-	(450)	-
Actuarial loss recognised in the pension scheme	2,753	-	-	-	2,753
At 31 March 2011	(13,210)	9,684	5,000	2,699	4,173
				2011 £'000	2010 £'000
Profit and loss account excluding pension liability				5,106	5,377
Pension liability				(18,316)	(22,355)
				(13,210)	(16,978)

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

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 goodwill written off against reserves amounted to £10,133k (2010: £9,683k).

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

19 PENSIONS

BRE 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 (which are now closed to future accrual) have also been offered membership of this scheme on the same terms. The pension cost for the year represents contributions payable by the company to the scheme and amounted to £791k (2010: £793k).

Contributions to the scheme amounting to £65k (2010: £66k) were payable at 31 March 2011 and are included in creditors.

The group operates two defined benefit pension schemes, one for the employees who transferred from LPC and one for other employees of the Trust and its subsidiaries who commenced employment before 31 December 2001. Both defined benefit schemes are funded.

The assets of all 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 Aviva.

Management charges of £361k (2010:£365k) were incurred on behalf of the two schemes. Contributions to these schemes amounting to £143k (2010: £125k) were payable at 31 March 2011 and are included in creditors.

In relation to the LPC scheme the contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 July 2007.

The July 2007 valuation for the LPC scheme showed that the market value of the scheme's assets was £15,612k and that the actuarial value of those assets represented 93% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contributions of the company and employees remained at 16.8% and nil respectively. Following the Actuarial Review and taking into account the new 'prudence' requirements of the Pensions Regulator it was decided to close the existing Final Salary scheme to future accrual from 1 April 2009, although members have retained their link to final salary. The company contribution for the year ending 31 March 2010 was £946k equated to £35k monthly and one additional contribution.

In relation to the BRE scheme the contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The BRE Pension Scheme was subject to a regular tri-annual review at 1 October 2005. Following the Actuarial Review and taking into account the new 'prudence' requirements of the Pensions Regulator the deficit at 1 October 2005 was calculated to be £15.6m and it was decided to close the existing Final Salary scheme to future accrual from 1 March 2007, although members have retained their link to final salary. Until this change active members made a contribution of circa 6.5% towards the scheme and the company made a contribution of 16.8%. The company contribution for the year ending 31 March 2010 was £1,290k equated to £107.5k monthly.

Under the 'recovery plan' agreed with the Trustees (and now submitted to the Regulator) this deficit was partially secured by an £8m 'Irrevocable Letter of Credit' issued by Barclays Bank which increased in value at a rate of 6.35% per annum and was finally payable in December 2015. On 1 April 2011 the letter of credit was replaced with a direct charge over the Garston site in favour of the BRE pension fund trustees.

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

19 PENSIONS – continued

The balance of the deficit is to be paid off in monthly instalments of £109k. Existing members of the Final Salary Scheme will make no further payments into the scheme. In replacement of the final salary scheme, members have been offered membership of the existing BRE defined contribution scheme. Under these arrangements the company contributes 5% of salary so long as the members do the same. However, members can contribute a higher amount if they wish to do so.

For both schemes contributions are being paid in accordance with the Schedules of Contributions currently in place.

The major assumptions used by the actuary were:

	BRE Scheme 2011 %pa	LPC Scheme 2011 %pa	BRE Scheme 2010 %pa	LPC Scheme 2010 %pa	BRE Scheme 2009 %pa	LPC Scheme 2009 %pa
Rate of increase in salaries	2.50	2.50	2.50	2.50	2.70	2.70
Discount rate for calculation of benefits	5.80	5.80	5.80	5.80	6.90	6.90
Inflation (RPI)	3.30	3.30	3.40	3.40	2.70	2.70

In valuing the liabilities of the pension fund at 31 March 2010, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 March 2010 would have increased by approximately £1,640k and £802k before deferred tax for the BRE Scheme and LPC Scheme respectively.

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 Scheme

- Current pensioner aged 60: 28.2 years (male), 30.3 years (female).
- Future retiree upon reaching 65: 31.5 years (male), 32.5 years (female)

LPC Scheme

- Current pensioner aged 65: 22.9 years (male), 25.2 years (female).
- Future retiree upon reaching 65: 25.9 years (male), 27.4 years (female)

The assumptions used by the actuary are the Company'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.

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

19 PENSIONS – continued

The asset valuations of the schemes at that date amounted to £40,429k (2010: £38,751k) for the BRE Scheme and £17,316k (2010: £16,083k) for the LPC Scheme. These amounts were sufficient to cover 76% (2010: 70.96 %) and % (2010: 71.23%) 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 Pension scheme

	2011 £000	2010 £000
Present value of funded defined benefit obligations	(53,135)	(54,609)
Fair value of plan assets	40,429	38,751
Net deficit	(12,706)	(15,858)

Movements in present value of defined benefit obligation

	2011 £000	2010 £000
At 1 April	54,609	40,038
Interest on obligation	3,145	2,728
Actuarial (gains) / losses	(3,839)	12,871
Benefits paid	(780)	(1,028)
At 31 March	53,135	54,609

Movements in fair value of plan assets

	2011 £000	2010 £000
At 1 April	38,751	29,659
Expected return on plan assets	2,529	1,854
Actuarial (losses) / gains	(1,361)	7,006
Contributions by employer	1,290	1,260
Benefits paid	(780)	(1,028)
At 31 March	40,429	38,751

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

19 PENSIONS – continued (BRE Scheme)

Expense recognised in resources expended

	2011 £000	2010 £000
Interest on defined benefit pension plan obligation	3,145	2,728
Expected return on defined benefit pension plan assets	(2,529)	(1,854)
Total	616	874

The expense is recognised in the following line items in the Profit and loss account:

	2011 £000	2010 £000
Other finance costs	616	874

Analysis of the amounts recognised in statement of total recognised gains and losses

	2011 £'000	2010 £'000
Actual return less expected return on pension scheme assets	(1,361)	7,006
Experience gains on the scheme liabilities	183	2,034
Change in assumptions underlying the present value of the liabilities	3,656	(14,905)
Actuarial gain / (loss) recognised in statement of total recognised gains and losses	2,478	(5,865)

Fair Value

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

	2011			2010		
	Fair value	Expected return from 31 March 2011	Plan assets	Fair value	Expected return from 31 March 2010	Plan Assets
	£'000	%	%	£'000	%	%
Equities	28,450	7.70	70.37	24,470	7.80	63.15
Bonds	9,290	4.40	22.98	9,342	4.65	24.11
Cash	1,581	0.50	3.91	2,706	0.50	6.98
Other (Absolute Return Fund)	1,108	7.00	2.74	2,232	7.00	5.76
Total	40,429	6.64	100	38,750	6.48	100
Actual return on plan assets	1,168			8,859		

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

19 PENSIONS – continued (BRE Scheme)**History of plans**

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

Balance sheet

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Present value of scheme liabilities	(53,135)	(54,609)	(40,038)	(44,333)	(46,667)
Fair value of scheme assets	40,429	38,751	29,659	35,427	34,694
Deficit	(12,706)	(15,858)	(10,379)	(8,906)	(11,973)

History of experience gains and losses

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Experience adjustments on scheme liabilities	183	2,034	529	(364)	(612)
As a percentage of scheme liabilities	(0.3%)	(4%)	(1%)	1%	1%
Experience adjustments on scheme assets	(1,361)	7,005	(8,716)	(2,170)	364
As a percentage of scheme assets	(3.40%)	18%	(29%)	(6%)	1%
Total amount recognised in statement of financial activities	(8,791)	(11,269)	(2,575)	1,636	(248)
As percentage of scheme liabilities	(16.5%)	(20.6%)	(6.4%)	4%	(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 Company expects to contribute approximately £1,341k to its BRE defined benefit plans in the next financial year.

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

19 PENSIONS – continued**LPC Pension scheme**

	2011 £000	2010 £000
Present value of funded defined benefit obligations	(22,926)	(22,580)
Fair value of plan assets	17,316	16,083
Net deficit	(5,610)	(6,497)

Movements in present value of defined benefit obligation

	2011 £000	2010 £000
At 1 April	22,580	16,455
Current service cost	-	-
Interest on obligation	1,310	1,135
Actuarial (gains) / losses	(425)	5,440
Benefits paid	(539)	(450)
At 31 March	22,926	22,580

Movements in fair value of plan assets

	2011 £000	2010 £000
At 1 April	16,083	12,613
Expected return on plan assets	976	765
Actuarial (losses) / gains	(150)	2,750
Contributions by employer	946	405
Benefits paid	(539)	(450)
At 31 March	17,316	16,083

Expense recognised in the Profit and loss account

	2011 £000	2010 £000
Current service cost	-	-
Interest on defined benefit pension plan obligation	1,310	1,135
Expected return on defined benefit pension plan assets	(976)	(765)
Total	334	370

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

19 PENSIONS – continued (LPC Scheme)

The expense is recognised in the following line items in the Profit and loss account:

	2011 £000	2010 £000
Other finance costs	334	370

Analysis of the amounts recognised in the statement of total recognised gains and losses

	2011 £'000	2010 £'000
Actual return less expected return on pension scheme assets	(150)	2,750
Experience (losses)/gains on the scheme liabilities	(141)	(136)
Change in assumptions underlying the present value of the liabilities	566	(5,304)
Actuarial gains / (loss) recognised in the statement of total recognised gains and losses	275	(2,690)

Fair Value

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

	2011			2010		
	Fair value	Expected return from 31 March 2011	Plan assets	Fair value	Expected return from 31 March 2010	Plan Assets
	£'000	%	%	£'000	%	%
Equities	12,235	7.70	70.66	7,118	7.80	44.26
Bonds	4,856	5.00	28.04	6,415	5.10	39.89
Cash	225	0.50	1.30	1,270	0.50	7.90
Other (Absolute Return Fund)	-	-	-	1,280	7.00	7.95
Total	17,316	6.85	100	16,083	6.08	100
Actual return on plan assets	826			3,515		

BUILDING RESEARCH ESTABLISHMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year 1 April 2010 - 31 March 2011

19 PENSIONS – continued (LPC Scheme)**History of plans**

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

Balance sheet

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Present value of scheme liabilities	22,926	(22,580)	(16,455)	(16,294)	(17,051)
Fair value of scheme assets	(17,316)	16,083	12,613	15,281	15,280
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deficit	(5,610)	(6,497)	(3,842)	(1,013)	(1,771)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

History of experience gains and losses

	2011 %/£000	2010 %/£000	2009 %/£000	2008 %/£000	2007 %/£000
Experience adjustments on scheme liabilities	(141)	(136)	155	(162)	(89)
As a percentage of scheme liabilities	1%	1%	(1%)	1%	0.5%
Experience adjustments on scheme assets	150	2,750	(2,814)	(1,012)	74
As a percentage of scheme assets	1%	17%	(29%)	(7%)	0.5%
Total amount recognised in statement of financial activities	275	(2,690)	(2,059)	2,197	15
As percentage of scheme liabilities	1%	12%	17%	13%	0.1%

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 Company expects to contribute approximately £356k to its LPC defined benefit plans in the next financial year.

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

20 FINANCIAL COMMITMENTS

At 31 March 2011 BRE had annual commitments under operating lease arrangements as follows:

	2011 £'000	2010 £'000
Plant and machinery expiring:		
Within one year	145	14
Between two and five years	84	389
	<u>229</u>	<u>403</u>

21 CAPITAL COMMITMENTS

The following commitments for capital expenditure existed as at 31 March 2011

	2011 £'000	2010 £'000
Contracted	<u>206</u>	<u>276</u>

22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is BRE Trust, a company limited by guarantee and a charity registered in England and Wales. It is situated at the address shown at the front of the financial statements.

The largest and smallest group of undertakings for which group accounts have been prepared is that headed by BRE Trust. The consolidated financial statements of BRE Trust can be obtained from the address shown at the front of the financial statements.

23 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2011 or 31 March 2010, other than that disclosed in note 15.

BUILDING RESEARCH ESTABLISHMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year 1 April 2010 - 31 March 2011

24 SUBSIDIARY AND ASSOCIATE UNDERTAKINGS

On 31 March 2011 the subsidiary and associate undertakings were as follows:

	Interest in Ordinary Shares
Tri-Air Developments Limited	33.35%
Non-trading companies	
BRE (Cardington) Limited	100%
BRE Waste & Environmental Body Limited	100%
BRE International	100%
BRE Projects	100%
Building Performance Group Limited	100%
Construction Audit Limited	100%
Building Performance Holdings Limited	100%
Building Performance Services Limited	100%
E-State Pro Limited	100%
EFSG Limited	100%
The Loss Prevention Certification Board Limited	100%
Innovation Den Limited	100%

The company is a member of the following companies (none of which it controls):

Companies limited by guarantee

Building Hub Limited
National Centre for Excellence in Housing (non trading)
Shannon Built Environment Consultancy, trading as BRE Ireland (ceased trading March 2011)

All of the entities were registered in England and Wales with the exception of Shannon Built Environment Consultancy which is registered in Ireland.

25 RELATED PARTY TRANSACTIONS

Tri-Air is considered to be a related party by virtue of common directors.

During the year the company had the following transactions with Tri-Air Limited.

	2011 £'000	2010 £'000
Aggregate sales	120	30

At the year end date the following balances within the financial statements related to Tri-Air Limited.

	2011 £'000	2010 £'000
Aggregate debtors owed	150	30

