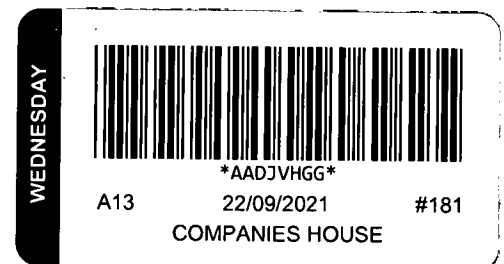


Company Registration No: 00632760 (England and Wales)

**THE BUILDING SERVICES RESEARCH
AND INFORMATION ASSOCIATION
(A COMPANY LIMITED BY GUARANTEE)**

**GROUP REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
28 MARCH 2021**



THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

COMPANY INFORMATION

Directors	J I Clarke A Donn J M Evans C F Harty T Pringle L J Smith T A Smith
Company number	00632760
Registered office	Old Bracknell Lane West Bracknell Berkshire RG12 7AH
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor One London Square Cross Lanes Guildford Surrey GU1 1UN

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

STRATEGIC REPORT FOR THE PERIOD ENDED 28 MARCH 2021

The directors present their report and financial statements for the period ended 28 March 2021.

Fair review of the business

BSRIA Limited is the dominant trading entity of The Building Services Research and Information Association ('BSRIA'). The largest part of the business is generated within the UK with exports remaining an important segment of the business. Where there is reference to the group this includes all subsidiary trading entities.

COVID-19 outbreak

In March 2020, coronavirus was declared a global pandemic and the UK experienced three separate periods of population lock down and an extended period of restrictions on travel, commerce and education focused on restricting the spread of the potentially fatal virus. BSRIA adapted well to the restrictions in place and continued to operate from its laboratories and workshops both in the UK and internationally. Globally about a third of our employees were able to work from home and IT support rose to the challenge magnificently. Undoubtedly, as these financial results show, turnover was impacted significantly. However careful cash management, government financial support and temporary reductions in employee salaries made a huge contribution to the continuation of the business. We have appreciated the support from all employees through this difficult period. Whilst the pandemic is far from over, the efforts of colleagues and customers ensured that BSRIA continued to trade successfully. In the UK BSRIA has received significant support from HMG through the Coronavirus Job Retention Scheme ('CJRS') which was over £0.9m in the financial year.

The key business risks affecting BSRIA are considered to relate to the ongoing impact of the coronavirus and expected recovery, the economy in general, the employee skill profile, product availability, the performance of key customers in particular house builders and the current inflationary and potential interest rate pressures.

The year has seen turnover decrease by £2.7m (23%). Efficiencies in the last part of the trading year resulted in modest operational savings, however these were insufficient to fully offset the financial pressures from the pandemic. Overheads were tightly controlled, and BSRIA reports a final profit on ordinary activities of just over £1m after tax (2020: profit of £0.3m). Debtors' collection had no significant issues during the year and were in line with expectations.

Overall, the group maintained internally generated cash resources, however concern about poor trading results has led to a review of financial strategy. Nevertheless, the directors have reasonable expectations that the group has adequate cash and resources to continue to trade profitably in the next financial year.

Net current assets have increased by £2.4m as the bank loan for the Bracknell property has been re-classified from a short-term to a long-term creditor under the terms of the loan agreement so reversing the loan back to long term as it was in earlier years. The cash position of the group remains good with a cash position at the year-end of £3.2m (2020: £1.5m). The group final salary pension scheme remains closed to all future accruals and the latest FRS102 valuation indicates a decrease in the deficit, closing at £3.3m compared to £4.1m in the previous year (24% lower). The group continues to work with the trustees and is committed to funding the deficit in accordance with the payment schedule agreed with the scheme actuary as of 31 March 2020. The next formal triennial valuation will be as of 1 April 2023.

Key performance indicators

The group's key financial and other performance indicators during the period were as follows:

		2021	2020
Sales	£'000	11,603	14,302
Gross profit	%	49%	50%
Net current assets	£'000	3,666	1,184

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

STRATEGIC REPORT FOR THE PERIOD ENDED 28 MARCH 2021

Principal risks and uncertainties

The main risks to the business include changes in UK Government legislation as it relates to the built environment sector and continued market uncertainty. Our strategy of spreading our operation over a range of activities both in the UK and internationally has protected us from the worst elements of past recessions and we believe will continue to be effective. We are working on other new activities that complement those we already undertake, and which will further strengthen our position whether the economic downturn continues or not.

Future developments

Having contributed to developmental parts of what is now the Building Safety Bill, BSRIA and the construction and engineering sector as a whole continue to closely track the passage of the Bill as it makes its way through Parliament. Likely to be enacted in 2023 the then Act will be the greatest change to the industry for a generation. Detail from the Bill will enable BSRIA to structure its future strategic review to reflect and adapt to consequent change and help guide and prepare members and services for the future.

The departure of the UK from the European Union continues to provide challenge to the sector and to BSRIA. Like many other businesses which trade in Europe it is experiencing frustrating delay in the passage of goods. More crucially the continuing lack of clarity regarding CE and UK CA marking are causing further consternation and delay on the part of manufacturers and import/export. The matter has been subject to detailed discussion with government but remains unresolved to date and recent developments extending the deadline for the change from 2022 to 2023 have done little more than 'kick the can down the road'.


More specifically, the delays to the transport of materials are now impacting on the wider construction sector and a mixed impact is being seen, most relevantly to BSRIA, in the housebuilding sector. Whilst the demand for new housing continues, supply remains challenged. This is further complicated by a general shortage of labour in part due to BREXIT and the departure of EU nationals formerly in the UK.

Climate change, temporarily eclipsed by the COVID-19 pandemic, remains firmly in the government and population's sights. That the UN climate change conference, COP (Conference of the Parties) 26 will be held in person (delayed from November 2020) in Glasgow later this year (2021) is serving to focus attention. This event will serve to highlight the need for government activity to deliver action rather than yet another statement of policy. BSRIA for all its 66 years has, in one way or another, consistently been engaged in energy efficiency and carbon reduction and thus is well placed to be constructively supportive towards the drive to Net Zero. To this end it has collaborated with London South Bank University to appoint the first Director for the Net Zero centre which began work in 2020/21.

BSRIA's year ahead is one of development and steady financial management focused on support to its members and continuing consolidation with emphasis on member services and knowledge dissemination.

The directors present their report and consolidated financial statements of the building services research and information association (Company registration no. 00632760) and its subsidiary undertakings ("the group") for the period ended 28 March 2021.

On behalf of the board



J M Evans
Director

16 September 2021

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

DIRECTORS' REPORT FOR THE PERIOD ENDED 28 MARCH 2021

The directors present their report and consolidated financial statements of the building services research and information association (Company registration no. 00632760) and its subsidiary undertakings ("the group") for the period ended 28 March 2021.

Principal Activities

The Association supports its members through its subsidiary companies by providing specialist services and specific deliverables associated with the membership structure of the Association. The Association also provides many of the services to the wider construction community, thus supporting our corporate aim of "enhancing the built environment by improving the quality of products and services, efficiency of their provision and effectiveness of their operation".

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

G E Adams	(Resigned 12 October 2020)
A Donn	
J I Clarke	(Appointed 1 January 2021)
J M Evans	
A J A Fleming	(Resigned 27 April 2021)
C F Harty	(Appointed 1 January 2021)
T Pringle	(Appointed 1 January 2021)
D A J Rintoul	(Resigned 1 May 2020)
L J Smith	(Resigned 30 September 2020, appointed 1 January 2021)
T A Smith	

Results

The consolidated results of the group for the period are set out on page 10. The company is limited by guarantee without share capital and is consequently precluded from paying a dividend.

Research and development

We work with the government departments and industry to help us to deliver solutions to actively resolve issues and also operate to stimulate innovation in the industry. Although government funding for construction R & D is increasing, the structure of these schemes and the fragmented nature of the supply chain makes access to these funds highly problematic and in consequence our research base remains lower than we would desire. The lack of construction R & D funds available to the Association, its members and the wider construction industry does not support the Government's carbon reduction agenda.

Future developments

In accordance with section 414C of the Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2013, future developments are disclosed in the Strategic Report.

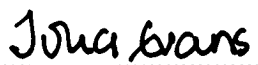
Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



J M Evans
Director

16 September 2021

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 period. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors 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 company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

Opinion

We have audited the financial statements of The Building Services Research and Information Association (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 March 2021 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 parent company 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION (CONTINUED)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industries and sectors, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax compliance regulations and pension law. We have performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, evaluating advice received from internal tax advisors and confirmed that the group continues to make pension contributions in line with the agreed contribution schedule.

There were no significant laws and regulations that have an indirect impact on the financial statements.

The group audit engagement team identified the risk of management override of controls and revenue cut-off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and testing a sample of revenue transactions either side of the balance sheet date, to determine whether they had been recognised in the correct financial period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION (CONTINUED)

Use of our report

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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Hurren (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor

One London Square

Cross Lanes

Guildford

Surrey

GU1 1UN

17 SEPTEMBER 2021

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 28 MARCH 2021

	Notes	2021 £'000	2020 £'000
Turnover	3	11,603	14,302
Cost of sales		(5,950)	(7,177)
Gross profit		<u>5,653</u>	<u>7,125</u>
Administrative expenses		(5,141)	(6,599)
Other operating income	3	964	-
Operating profit	6	<u>1,476</u>	<u>526</u>
Interest payable and similar expenses	7	(138)	(162)
Profit before taxation		<u>1,338</u>	<u>364</u>
Taxation on profit	8	(252)	(21)
Profit for the financial period		<u><u>1,086</u></u>	<u><u>343</u></u>

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 28 MARCH 2021

	Notes	2021 £'000	2020 £'000
Profit for the financial period		1,086	343
Actuarial gain on defined benefit pension schemes		661	294
Tax relating to other comprehensive income		(126)	35
Effect of foreign exchange rates		35	(6)
		<hr/>	<hr/>
Total comprehensive income for the period		1,656	666
		<hr/>	<hr/>

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

(Company Registration Number: 00632760)

STATEMENT OF FINANCIAL POSITION AS AT 28 MARCH 2021

	Notes	2021 £'000	GROUP 2020 £'000	2021 £'000	COMPANY 2020 £'000
Fixed assets					
Tangible assets	10	3,026	3,282	-	-
Investments	11	-	-	1,657	1,657
		<u>3,026</u>	<u>3,282</u>	<u>1,657</u>	<u>1,657</u>
Current assets					
Stocks	13	415	577	-	-
Debtors	14	3,002	3,311	6	6
Cash at bank and in hand		3,230	1,519	100	100
		<u>6,647</u>	<u>5,407</u>	<u>105</u>	<u>106</u>
Creditors: amounts falling due within one year	15	(2,981)	(4,223)	(95)	(95)
Net current assets		<u>3,666</u>	<u>1,184</u>	<u>11</u>	<u>11</u>
Total assets less current liabilities		<u>6,692</u>	<u>4,466</u>	<u>1,668</u>	<u>1,668</u>
Creditors: amounts falling after more than one year	16	(1,369)	-	-	-
Provisions for liabilities	18	-	(1)	-	-
Net assets excluding pension liability		<u>5,323</u>	<u>4,465</u>	<u>1,668</u>	<u>1,668</u>
Defined benefit pension liability	19	(3,267)	(4,065)	-	-
Net assets		<u>2,056</u>	<u>400</u>	<u>1,668</u>	<u>1,668</u>
Capital and reserves					
Accumulated fund	20	4,636	3,627	1,668	1,668
Revaluation reserve	20	66	66	-	-
Pension reserve	20	(2,646)	(3,293)	-	-
Total equity		<u>2,056</u>	<u>400</u>	<u>1,668</u>	<u>1,668</u>

As permitted by s408 of the Companies Act 2006, the company has not presented its own statement of comprehensive income. The company's total comprehensive loss for the period was £Nil (2020: £Nil).

The financial statements were approved by the board of directors and authorised for issue on 16 September 2021 and are signed on its behalf by:

J M Evans

J M Evans
Director

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 MARCH 2021

	Accumulated fund £'000	Revaluation reserve £'000	Pension reserve £'000	Total £'000
Balance at 1 April 2019	3,443	66	(3,775)	(266)
Period ended 29 March 2020:				
Profit for the period	343	-	-	343
Other comprehensive income net of taxation:				
Actuarial gain on defined benefit plans	294	-	-	294
Tax relating to other comprehensive income	35	-	-	35
Effect of foreign exchange rates	(6)	-	-	(6)
Total comprehensive income for the period	666	-	-	666
Transfers	(482)	-	482	-
Balance at 29 March 2020	3,627	66	(3,293)	400
Period ended 28 March 2021:				
Profit for the period	1,086	-	-	1,086
Other comprehensive income net of taxation:				
Actuarial gain on defined benefit plans	661	-	-	661
Tax relating to other comprehensive income	(126)	-	-	(126)
Effect of foreign exchange rates	35	-	-	35
Total comprehensive income for the period	1,656	-	-	1,656
Transfers	(647)	-	647	-
Balance at 28 March 2021	4,636	66	(2,646)	2,056

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 28 MARCH 2021

COMPANY	Accumulated fund £'000
Balance at 1 April 2019	1,668
Profit and total comprehensive income for the period	-
Balance at 29 March 2020	1,668
Profit and total comprehensive income for the period	-
Balance at 28 March 2021	1,668

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 28 MARCH 2021

	Notes	2021 £'000	2020 £'000
Operating activities			
Cash generated from operations	21	2,044	625
Interest paid		(47)	(57)
Income taxes (paid)/received		(36)	40
Net cash from operating activities		<u>1,961</u>	<u>608</u>
Investing activities			
Purchase of tangible fixed assets		(93)	(147)
Proceeds on disposal of tangible fixed assets		10	45
Net cash used in investing activities		<u>(83)</u>	<u>(102)</u>
Financing activities			
Repayments of borrowings		(119)	(158)
Net cash used in financing activities		<u>(119)</u>	<u>(158)</u>
Net cash increase in cash and cash equivalents		<u>1,759</u>	<u>348</u>
Cash and cash equivalents at beginning of period		1,519	1,177
Effect of foreign exchange rates		(48)	(6)
Cash and cash equivalents at end of period		<u>3,230</u>	<u>1,519</u>

Cash and cash equivalents included in Statement of Cash Flows comprise of cash at bank and in hand. This is consistent with the presentation in the Statement of Financial Position.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies

Company information

The Building Services Research And Information Association is a private company limited by guarantee incorporated and domiciled in England and Wales. The company's registered office and principle place of business is Old Bracknell Lane West, Bracknell, Berkshire, RG12 7AH. The group consists of The Building Services Research And Information Association and all of its subsidiaries.

The principal activities of the group during the period are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in Sterling, which is the functional currency of the company.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' - Transactions between wholly owned subsidiaries of the group.

Basis of consolidation

The consolidated financial statements incorporate those of The Building Services Research And Information Association and its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the period are consolidated using the purchase method. Results are incorporated from the date that control passes. All financial statements are made up to 28 March 2021, with the exception of BSRIA Business Consulting (Beijing) Co. Limited (note 12).

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

These financial statements represent the largest and smallest group of which the company is a member for which group accounts are prepared.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies (Continued)

Going concern

The on-going COVID-19 global pandemic has had a major impact on the Group's operations and activities. The Group has had to use financial support from Her Majesty's Government (the Job Retention Scheme)/(CJRS), reduce salaries and lower overheads in order to ensure its survival. The directors and senior management team have taken necessary actions to protect the business.

A detailed reforecasting exercise was completed over the year to assess the cash requirements. The business are rebounded after the initial decrease in revenue and are now more secure. This situation continues to be monitored closely to ensure that the Group is able to respond to any new challenges and other opportunities in the construction industry.

As identified in note 17, due to a breach of the debt service cover covenant in 2019/20, the bank loan was shown as a payable in creditors: amounts falling due in less than one year. The lender formally waived this breach on 28 February 2021 and the original loan aging has been restored.

Based on steps already taken by management to preserve cash flow, and in light of the reforecasting and sensitivity exercise performed, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to staff costs chargeable to contracts and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Research and development

Research expenditure is written off against profits in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised within other intangible assets and amortised to write off the cost of the assets less their residual values over their useful lives.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	25 to 50 years straight line
Plant and machinery	2 to 5 years straight line
Fixtures, fittings & equipment	3 to 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential. At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies (Continued)

Financial instruments (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The group operates a defined contribution scheme for the benefit of its employees. The amount charged to profit or loss is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the period is recognised as an employee cost. The cost of plan benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise. The scheme is closed to future accrual.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

1. Accounting policies (Continued)

Retirement benefits (Continued)

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2. Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

2. Judgements and key sources of estimation uncertainty (Continued)

Amounts recoverable on contracts and income in advance

Significant estimation and judgement is applied when determining the amounts of revenue recognised. Revenue is recognised to reflect the partial performance of contractual obligations. The amount recognised reflects any uncertainties as to the amount of revenue to be received.

However, where the right to consideration does not arise until the occurrence of a critical event, revenue is not recognised until that event occurs.

The value of contract work in progress comprises the costs incurred on contracts plus an appropriate proportion of overheads and attributable profit where the outcome of a contract can be reasonably foreseen. Provision is made in full for estimated losses.

These contracts are included in debtors, based on the stage of completion, less provision for any known or anticipated losses and payments on account received. Where payments on account are in excess of turnover, these amounts are included within creditors.

Defined benefit pension scheme assumptions

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount factors, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the plans, such estimates are subject to uncertainty. In determining the appropriate discount rate, management receives guidance from its actuarial advisors. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details on these assumptions are given in note 19. The sensitivities associated with each of the key financial assumptions are as follows:

- An (increase)/decrease in the discount rate of 0.1% would (reduce)/increase the liability by (£343,000)/£350,000.
- A 0.1% increase/(decrease) in RPI (and associated assumptions for pension increases) would increase/(decrease) the liability by £127,000/(£126,000).
- A 0.1% increase/(decrease) in CPI (and associated assumptions for pension increases) would increase/(decrease) the liability by £29,000/(£30,000).

3. Turnover

An analysis of the group's turnover is set out as below:

	2021 £'000	2020 £'000
Turnover analysed by class of business		
Subscriptions and research contracts	862	1,094
Test and consultancy	5,623	7,712
Hire calibration, and product sales income	3,129	3,059
Publications, royalties and other income	1,989	2,437
	<u>11,603</u>	<u>14,302</u>
	2021 £'000	2020 £'000
Other income		
Coronavirus job retention scheme support	964	-
	<u>964</u>	<u>-</u>

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

3. Turnover (Continued)

Turnover analysed by geographical market

	2021 £'000	2020 £'000
United Kingdom	8,654	10,412
Rest of Europe	1,026	1,412
Rest of World	1,923	2,478
	<u>11,603</u>	<u>14,302</u>

4. Employees

	2021 No.	2020 No.
The average monthly number of persons (including directors) employed by the group during the period was:		
Executive directors	3	3
Administrators	45	53
Operational	124	145
	<u>172</u>	<u>201</u>

	2021 £'000	2020 £'000
Employment costs		
Wages and salaries	5,154	6,881
Social security costs	519	691
Other pension costs	331	499
	<u>6,004</u>	<u>8,071</u>

No persons were employed or remunerated by the company during the period (2020: None).

5. Directors' remuneration

	2021 £'000	2020 £'000
Remuneration for qualifying services	134	184
Company pension contributions to defined contribution schemes	6	2
	<u>140</u>	<u>186</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020: 1). No directors are accruing retirement benefits under the defined benefit pension scheme (2020: None).

Employers national insurance contributions payable in respect of the above remuneration was £18,000 (2020: £25,000). The directors remuneration is paid via a subsidiary undertaking.

No separate disclosure of key management remuneration is included as no other staff members are considered to be key management.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

6. Operating profit	2021	2020
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Exchange losses/(gains)	49	(2)
Depreciation of owned tangible fixed assets	346	377
Profit on disposal of fixed assets	(7)	(16)
Auditor's remuneration (statutory audit)	35	31
Fees payable to the group's auditor for non-audit services	14	14
Operating lease payments	232	244
Research and development expenditure	250	276
	<hr/>	<hr/>
7. Interest payable	2021	2020
	£'000	£'000
Interest on bank overdrafts and loans	45	57
Interest on finance leases and hire purchase contracts	2	-
Net interest on the pension defined benefit liability	91	105
	<hr/>	<hr/>
	138	162
	<hr/>	<hr/>
8. Taxation	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax on profit for the period	217	-
Adjustment in respect of prior periods	-	(40)
Total current tax	<hr/>	<hr/>
	217	(40)
Deferred tax:		
Origination and reversal of timing differences	39	90
Changes in tax rates	-	(5)
Adjustment in respect of prior periods	(4)	(24)
Total deferred tax	<hr/>	<hr/>
	35	61
	<hr/>	<hr/>
Total tax on profit on ordinary activities	<hr/>	<hr/>
	252	21

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

8. Taxation (Continued)

Factors affecting current tax charge for the period

Profit on ordinary activities before taxation	1,338	364
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 19% (2020: 19%)	254	69
Effects of:		
Non-deductible expenses	2	10
Adjustments in respect of prior periods	(4)	(64)
Effect of change in corporation tax rate	-	(5)
Capital allowances in excess of depreciation	-	11
	(2)	(48)
Tax credit for the period	252	21

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £'000	2020 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	126	(35)
Total tax recognised in other comprehensive income	126	(35)

In March 2021, the Chancellor announced that the tax rate would increase from 19% to 25% with effect from 1 April 2023. This rate had not been substantively enacted at the balance sheet date and therefore has not been used in the calculation of deferred tax.

9. Profit for the financial period

As permitted by Section 408 Companies Act 2006, the company's profit and loss account has not been included in these financial statements. The profit for the financial period is as follows:

	2021 £'000	2020 £'000
Parent company's profit for the financial period	-	-

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

10. Tangible fixed assets

Group	Land and buildings freehold £'000	Plant and machinery £'000	Fittings fittings & equipment £'000	Total £'000
Cost/Valuation				
At 30 March 2020	3,294	6,209	703	10,206
Additions	-	93	-	93
Disposals	-	(1)	(3)	(4)
At 28 March 2021	3,294	6,301	700	10,295
Depreciation				
At 30 March 2020	744	5,643	537	6,924
Charge for the period	46	279	21	346
Disposals	-	-	(1)	(1)
At 28 March 2021	790	5,922	557	7,269
Net book value				
At 28 March 2021	2,504	379	143	3,026
At 29 March 2020	2,550	566	166	3,282

Land and buildings with a carrying amount of £2,504,000 (2020: £2,550,000) were revalued at March 2014 by Hicks Baker, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on market transactions on arm's length terms for similar properties. The directors have elected to use the previous GAAP valuation as the deemed cost under FRS 102.

A valuation exercise undertaken in April 2021, by a RICS registered independent valuer indicates that the market value of the property at that date was £3m.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2021 £'000	2020 £'000
Cost	3,545	3,545
Accumulated depreciation	(1,772)	(1,767)
Carrying value	1,773	1,778

11. Fixed asset investments

Company	Shares in group undertakings £'000
Cost	
At 30 March 2020 and 28 March 2021	1,657

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

12. Subsidiary undertakings

The company holds more than 20% of the share capital of the following companies:

Company	Registered office	% Ordinary shares held	Activities
Subsidiary undertakings			
BSRIA Limited	Old Bracknell Lane West, Bracknell RG12 7AH	100%	Services to construction community
BSRIA Business Consulting (Beijing) Co. Limited	905, Tower C Ocean International Centre No.60 East 4 th Ring Middle Road Chaoyang District Beijing, P.R. China	100%	Services to construction community
BSRIA (HK) Limited	Rooms 3201-3204 32 nd Floor, Harbour Centre 25 Harbour Road Wanchai, Hong Kong	100%	Dormant
BSRIA SARL	77 Boulevard Vauban 59000 Lille France	100%*	Services to construction community
BSRIA, Inc.	2711 Centreville Road Suite 400, Wilmington Delaware, US	100%*	Services to construction community

*Indirect holding

The period end for BSRIA Business Consulting (Beijing) Co. Limited and BSRIA, Inc. is 31 December 2020. This has not been changed to the period end of the group as the difference between a period end of 31 December and 29 March has been deemed immaterial by the directors.

13. Stocks

	Group	
	2021 £'000	2020 £'000
Work in progress	28	83
Finished goods and goods for resale	387	494
	<u>415</u>	<u>577</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

14. Debtors	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year:				
Trade debtors	1,809	1,956	-	-
Corporation tax	-	39	-	-
Other debtors	50	175	6	6
Prepayments and accrued income	533	369	-	-
	<u>2,392</u>	<u>2,539</u>	<u>6</u>	<u>6</u>
Amounts falling due after one year:				
Deferred tax asset (note 18)	610	772	-	-
	<u>3,002</u>	<u>3,311</u>	<u>6</u>	<u>6</u>
15. Creditors: Amounts falling due within one year				
	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans (note 17)	216	1,704	-	-
Payments received on account	322	149	-	-
Trade creditors	698	815	-	-
Amounts owed to group undertakings	-	-	95	95
Corporation tax	177	-	-	-
Other taxes and social security costs	212	240	-	-
Other creditors	177	374	-	-
Accruals and deferred income	1,179	941	-	-
	<u>2,981</u>	<u>4,223</u>	<u>95</u>	<u>95</u>
16. Creditors: Amounts falling due after more than one year				
	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans (note 17)	1,369	-	-	-
	<u>1,369</u>	<u>-</u>	<u>-</u>	<u>-</u>

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

17. Borrowings

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans	1,585	1,704	-	-
Payable within one year	216	1,704	-	-
Payable after one year but within 5 years	1,369	-	-	-

The bank loan is secured on the group's freehold land and buildings and is repayable in instalments until 2029. Interest is payable at 2.5% over the bank's base rate.

Fixed rate loans of £1,585,000 (2020: £1,704,000) are subject to debt service cover and financial information covenants. As a result of the loss in 2019, the group was in technical breach of the debt service cover covenant. The lender formally waived this breach on 28 February 2021. As a result, the original loan aging has been restored. In the prior year as a result of the technical breach, the entire loan balance was shown as short-term.

18. Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	2021 £'000	2020 £'000
Deferred tax asset	657	772
Deferred tax liability	(47)	(1)
	<u>610</u>	<u>771</u>

The deferred tax asset is made up as follows:

	Liability 2021 £'000	Liability 2020 £'000	Asset 2021 £'000	Asset 2020 £'000
Accelerated capital allowances	47	66	-	-
Retirement benefit obligations	-	-	621	772
Other short term timing differences	-	(65)	36	-
	<u>47</u>	<u>1</u>	<u>657</u>	<u>772</u>

	2021 £'000
Net deferred tax asset at 30 March 2020	(771)
Credit to profit and loss	35
Charge to other comprehensive income	126
Net deferred tax asset at 28 March 2021	<u>(610)</u>

The short term deferred tax asset relates to accelerated capital allowances and other short term timing differences that are expected to mature in the next 12 months.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

19. Retirement benefits

Defined contribution schemes

The group operates a defined contribution pension schemes for qualifying employees. The assets of the schemes are held separately from those of the group in independently administered funds.

	2021 £'000	2020 £'000
Contributions payable by the group for the period	350	499

Defined benefit schemes

The Building Services Research & Information Association was providing benefits based on final pensionable pay. The scheme was closed to new entrants from 1st December 2001.

The scheme was closed on the 1st November 2005, and a payment schedule was agreed between the group and the trustees.

The assets of the scheme are held separately from those of the company, being invested via Mobius Life Limited and Hermes Alternative Investment Management Limited. Contributions to the scheme are determined after consultation with a qualified actuary on the basis of a triennial valuation using the attained age method so as to spread the costs of the pension over the employees' working lives with the company and to run off the deficit over a period of fifteen years.

The disclosure required by FRS 102 are set out below. The main financial assumptions, calculated by a qualified actuary were as follows:

The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out as at 31 March 2020. No adjustments have been made to measure the defined benefit obligation at the reporting date due to the immaterial nature of adjustments.

<i>Key assumptions</i>	2021 %	2020 %
Discount rate	1.90	2.30
Expected rate of increase of pensions in payment	3.30	3.20
Expected rate of salary increases	3.30	2.50
Rate of increase pf pension in deferment	2.80	1.70
CPI inflation	2.80	1.70
<i>Mortality assumptions</i>		
The assumed life expectations on retirement at age 60 are:	2021 Years	2020 Years
Retiring today		
- Males	25.6	25.6
- Females	28.3	28.2
Retiring in 20 years		
- Males	26.8	26.8
- Females	29.6	29.5

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

19. Retirement benefit scheme (Continued)

Amounts recognised in the income statement:

	2021 £'000	2020 £'000
Net interest on defined liability	91	105
Other costs and income	-	-
Total costs	91	105

Amounts taken to other comprehensive income:

	2021 £'000	2020 £'000
Actual return on scheme assets	2,720	288
Less: calculated interest element	(414)	(444)
Return on scheme assets excluding interest income	2,306	(156)
Actuarial changes related to obligations	(1,645)	450
Total income	661	294

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2021 £'000	2020 £'000
Present value of defined benefit obligations	23,675	22,369
Fair value of plan assets	(20,408)	(18,304)
Deficit in scheme	3,267	4,065

Movements in the present value of defined benefit obligations:

	2021 £'000
Liabilities at 30 March 2020	22,369
Benefits paid	(844)
Actuarial gains and losses	1,645
Interest cost	505
At 28 March 2021	23,675

Movements in the fair value of plan assets:

	2021 £'000
Fair value of assets at 30 March 2020	18,304
Interest income	414
Return on plan assets (excluding amounts included in net interest)	2,306
Benefits paid	(844)
Contributions by the employer	228
At 28 March 2021	20,408

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

19. Retirement benefit scheme (Continued)

The analysis of the scheme assets at the reporting date were as follows:

	2021 £'000	2020 £'000
Equity instruments	15,833	13,216
Debt instruments	3,464	4,196
Property	682	701
Cash and annuities	400	162
Other	29	29
	<u>20,408</u>	<u>18,304</u>

Contributions to the funding deficit were temporarily waived from 1 April 2020 to 30 June 2020 as a result of the uncertainty caused by the outbreak of COVID-19. On 7 May 2020, a recovery plan was agreed and subsequently revised on 15 March 2021. As part of this recovery plan, the Trustees and the company agreed a contribution schedule which required payments of £303,600 pa from 1 July 2020 to 30 June 2021, and £330,000 pa from 1 July 2021 to 31 January 2034, increasing at 2% pa each 1 July.

20. Reserves

The group's reserves represent the following:

Accumulated fund

Cumulative profit and loss net of pension reserve

Pension reserve

Pension reserve account presented separately to offset equal and opposite pension scheme deficit, less associated deferred tax asset.

Revaluation reserve

Surplus of valuation of freehold land and buildings over historical cost balance.

21. Reconciliation of profit after tax to net cash generated from operations

Group	2021 £'000	2020 £'000
Profit after tax	1,086	434
Adjustments for:		
Depreciation of tangible fixed assets	346	377
Interest payable	138	162
Taxation	252	(70)
Pension scheme contributions	(228)	(294)
Profit on disposal of tangible fixed assets	(7)	(16)
Movements in working capital:		
Decrease in stocks	162	416
Decrease in debtors	144	238
Increase/(decrease) in creditors	151	(622)
Cash generated from operations	<u>2,044</u>	<u>625</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

22. Analysis of changes in net funds

Group	30 March 2020 £'000	Cash flows £'000	28 March 2021 £'000
Cash and cash equivalents	1,519	1,711	3,230
Borrowings excluding overdrafts	(1,704)	119	(1,585)
Total net funds	<u>(185)</u>	<u>1,830</u>	<u>1,645</u>

23. Operating lease commitments

Annual rentals are charged to profit or loss on a straight line basis over the lease term.

At 28 March 2021, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Group	Land and buildings		Other	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Operating leases:				
expiring within one year	45	46	107	159
expiring between 1 and 5 years	154	180	-	101
expiring after 5 years	-	19	-	13
	<u>199</u>	<u>245</u>	<u>107</u>	<u>273</u>

24. Related party transactions

Transactions with related parties

During the period the company entered into the following transactions with related parties:

	Sales		Purchases	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Entities with common directors	<u>3</u>	<u>31</u>	<u>-</u>	<u>39</u>

Amounts owed to related parties

The following amounts were outstanding at the reporting end date:

	2021 £'000	2020 £'000
Entities with common directors	<u>-</u>	<u>7</u>

No guarantees have been given or received. All balances with related parties are interest free and repayable on demand.

25. Control

The Association is controlled by its directors.

THE BUILDING SERVICES RESEARCH AND INFORMATION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2021

26. Limited by Guarantee

The liability of each member of The Building Services Research and Information Association is limited to £5, being the amount that each member undertakes to contribute to the assets of the association in the event of it being wound up while he is a member or within one year after he ceases to be a member.