

# Brook Young People

Report of the trustees and financial statements for  
the year ended 31 March 2020

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## Administrative details

Charity name	Brook Young People
Trading name	Brook
Registration	Limited Company registered in England and Wales no. 2466940 Charity registered in England and Wales no. 703015 Charity registered with the Office of the Scottish Charity Regulator no. SC045788
Registered office	81 London Road, Liverpool, L3 8JA
Chief Executive	Helen Marshall
Company Secretary	Sally Hutchings
Auditors	Haysmacintyre LLP 10 Queen Street Place, London, EC4R 1AG
Bankers	Lloyds Bank 1 <sup>st</sup> floor, 5 St Paul's Square, Liverpool, L3 9SJ
Solicitors	Penningtons Manches LLP 125 Wood Street, London, EC2V 7AW

## Trustees

The following people have been trustees (and directors as defined by the Companies Act 2006) during the period this report relates to:

Scott Bennett (Chair)

Jo Youle (Deputy Chair)

Leon Ward (Deputy Chair)

David Clark *(appointed 11/09/2019)*

Maxine Evans *(appointed 11/09/2019)*

Chris Martin

Laura Russell

Tim Tod

## Senior Management

At the date of report, the Executive Team comprises:

Helen Marshall, Chief Executive

Jo Oxlade, Deputy Chief Executive

Louise Carrington, Director of Operations

Laura Hamzic, Director of Digital & Communications

Simon Theobald, Director of Finance

Barry Williams, Director of Strategy

## Introduction

The trustees present their annual report (incorporating the strategic report) and financial statements of the charity for the year ended 31 March 2020.

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. (SORP 2015) (Second Edition, effective 1 January 2019).

## Structure, Governance and Management

### Company structure and ownership

During 2019/20 Brook Young People (Brook) had one subsidiary charity – Brook Scotland (company no. SC159534; charity no. SC023964) which is currently dormant.

Brook Jersey (registered with the Jersey Charity Commissioner no. 118) is a fully independent charity and has operated under a licence agreement following its separation from Brook on 01 April 2019. The value of the transfer of net assets to Brook Jersey was £129,392.

### Governing document and constitution

Brook is constituted as a limited company and is a registered charity. Brook is governed by its Articles of Association (updated June 2019). The business of the charity is managed by the board of trustees.

### The board of trustees

The composition of the Brook board is skills-led. All trustees are appointed by the board, and Brook's members are the same group of people as its trustees.

The Articles of Association allow any person who is willing to act as a trustee, accepts membership of the charity, and who is not disqualified from acting as a trustee or a company director to be appointed as a trustee by a decision of the Board.

The board consists of a minimum of six and a maximum of fifteen trustees and meets formally at least four times per year. Trustees serve for fixed terms of three years unless they cease to be a trustee during this period. Trustees are eligible for re-appointment for a second term by the board, with the maximum period of office being two terms. The second term may be extended by one additional year in exceptional circumstances or to achieve a stable retirement cycle of trustees. This option was utilised in respect of the Chair in March 2020. The board may co-opt up to three additional trustees who hold office for a period of 12 months and who may be co-opted up to three times. At the time of this report, there were no co-opted trustees.

## Induction and training of trustees

Potential trustees are identified via a range of mechanisms to ensure there is diversity of skills, backgrounds and experience on the board. On appointment, and annually thereafter, all trustees are required to declare potential conflicts of interest, complete automatic disqualification self-declarations and checks of official registers are completed. Trustees complete a full induction process within which they agree to Brook's key policies and our statement of good governance. The induction process marks the beginning of an ongoing process of trustee training and development.

## Management and decision making

The board delegates authorities to its committees and to the Chief Executive within a written Scheme of Delegation. Brook has two board committees:

- The **Risk, Finance and Audit Committee** ensures that Brook manages its finances and risks effectively and efficiently in support of its charitable objectives. It provides assurance that Brook meets its statutory and other obligations.
- The **Quality and Assurance Committee** reviews the performance of the organisation and ensures that a high quality of service is provided to Brook's clients, overseeing clinical effectiveness and safeguarding.

The Board delegates all other matters including the day-to-day running of the organisation to the Chief Executive working within the framework of all decisions made by the Board and by Committees deciding under delegated authorities.

Brook's Executive Team comprises the Chief Executive, Deputy Chief Executive, Director of Operations, Director of Strategy, Director of Finance and Director of Digital and Communications.

In September 2018 the board of trustees reviewed and adopted the Charity Governance Code. The trustees examined the seven principles that make up the Code and Brook's application of them. Where improvements could be made, the board agreed actions to increase compliance. During 2020/21 an external board evaluation will take place and a board development plan produced which will incorporate recommendations from both the external evaluation and the Charity Governance Code review.

## Pay and remuneration

Brook operates a *Pay and Benefits Policy*. Salaries are routinely tested against the jobs market to ensure that account is taken of experience, qualifications, and demonstrable ability to perform the job. The starting salary may also be influenced by external factors such as market conditions or availability of specialist skills. In line with the principles of equal pay enshrined within the Equal Pay Act 1970 and supported by Brook's commitment to equal pay and equality of opportunity, all salary offers are made with equal pay considerations in mind. Salaries are agreed with staff prior to the commencement of employment.

Brook considers its key management personnel comprises the trustees, the Executive Team (detailed above) and the Medical Director.

None of the trustees of the charity received any remuneration from the group for their services as trustees. Expenses were reimbursed as detailed in Note 8.

### Relationships with related parties

During 2019/20 Brook held one third of the issued share capital in MK Community Shop (Westcroft) Ltd (Company number 02929244), comprising two 'A' Ordinary shares with a nominal £1 value each.

Brook receives one third of the annual net profits of MK Community Shop (Westcroft) Ltd as a Gift Aid payment. This is treated as a restricted fund used only to support the activities of Brook's Milton Keynes service. Income received is included in Note 4 to the accounts. Other than the shareholding there was no other financial relationship between the parties.

On 1 April 2020, on the closure of Brook's service in Milton Keynes, Brook transferred its shareholding to the two other shareholders in MK Community Shop (Westcroft) Ltd for the sum of £1 each.

During 2019/20 the independent charity Brook Jersey has operated as a licensee of Brook. Brook received a fee from Brook Jersey in return for an exclusive licence in the Channel Islands to use the Brook identity, clinical governance framework and key policies.

### Public benefit disclosure

Brook has a duty to report on our public benefit and we have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Throughout our activities we promote the health and wellbeing of young people, and those vulnerable to sexual ill health, holistically, and seek to ensure that they are healthy, happy and safe from harm. The main activities Brook undertakes for the public benefit are:

- **Clinical services**, providing free and confidential information, contraception, pregnancy testing, advice and counselling, and testing and treatment for sexually transmitted infections. Our support services and programmes help young people make positive and healthy lifestyle choices and improve their wellbeing.
- **Education and training**, in schools and community venues, to support emotional development and the learning of core life skills, with specific programmes that address the needs of the most vulnerable young people. Our training for professionals is designed to improve young people's experience of health and education.
- **Campaigning and advocacy**, in partnership with young people, to fight for a society that has a positive attitude to young people, sexuality and identity. Participation at Brook is a process through which young people can be heard, influence decisions and effect real change.

## Objectives and activities

### Our charitable purpose

To promote the health, particularly sexual health of young people and those most vulnerable to sexual ill health, through providing information, education and outreach, counselling, confidential clinical and medical services, professional advice and training.

### Our vision

Young people's lives are free from inequality, rich with opportunity, and enriched by happy, healthy relationships.

### Our mission

Brook is here to equip young people for life's challenges.

Being a young person can be tough. Through our innovative clinical services, digital support, tailored counselling and inspiring relationships and sex education, young people are able to take charge of their sexual health and wellbeing.

We demand better for young people. We fight for young people's rights, amplify their voice and campaign to protect their specialist services. By changing perceptions and developing skills, we give professionals the knowledge and confidence to deliver the quality services that young people need and deserve.

### Our values

- Trailblazing
- Collaborative
- Trustworthy
- Courageous

### Our strategic aims and strategies for achieving them

2019/20 was the final year of our strategic plan for 2017-20. During the year we developed our new strategic plan for 2020-23 which builds on the successes of our 2017-2020 strategy and introduces a broad and ambitious new vision.

The plan sets out four strategic priorities for 2020-2023:

- Challenging inequality
- Increasing accessibility
- Transforming digitally
- Driving innovation

These strategic priorities are supported by strategic objectives. Our business plan details the performance indicators, targets and responsibilities associated with each objective, through which we set out to achieve our priorities.

### Assessing our success and impact

We measure our success through a Key Performance Indicator framework. Progress against each of our business plan measures and a RAG rated report of delivery against our Key Performance Indicators is reported to the Executive Team every quarter and to the board of trustees every six months.

We utilise robust data collection processes to quickly adapt to the evolving needs of young people, enabling us to identify national and regional trends and develop innovative solutions to protect the most vulnerable. During 2019/20 we implemented new evaluation procedures for our professionals training while continuing to streamline our existing clinical, education and digital evaluation designs. By closely monitoring young people's experiences of Brook we effectively test our theories of change and make incremental improvements to our services. In our clinics we complement the routine activity and outcome data with the systemic collection of feedback through the independent digital platform iWantGreatCare, collecting 10,278 feedback reviews during the year.

## Volunteering and participation

Brook is committed to ensuring that young people's voices are heard through our work. To increase young people's impact on local and national health policies we developed a new participation strategy. We are exploring the development our volunteer counselling offer, with pathways developed in our Lancashire services.

During 2019/20 more than 200 young people throughout England contributed to the development of our 2020-23 strategic plan and we are committed to involving even more young people in the future design of our service delivery. Through local groups we are upskilling young people in core sexual and reproductive health topics and campaigning, with pilot groups established in Dudley and Manchester. We are recruiting Brook's first young education team in North London. This peer education project will develop the knowledge, skills and confidence of volunteers through training and co-facilitation of workshops.

## Achievements and performance

### Significant charitable activities undertaken

Each year we assess our progress against our strategic aims. Further details are available in our Success Report, published on our website. Key highlights include:

- We diversified into all-age services, allowing us to improve health outcomes through our unique, holistic life course approach. Our first all-age, digitally led service in Cornwall prioritises early intervention and prevention, investing in young people and the skills they need to self-care as adults, while protecting young people's specialist services. Our partnership with SH:24 marks the start of our digital transformation journey.
- We expanded our education services, with a new specialist project working with boys and young men in Sunderland and an all-age contract supporting targeted communities in South London, while continuing to help schools prepare for mandatory relationships and sex education (RSE) in England.
- We launched Brook Cymru, providing direct RSE delivery and training for those working with young people in Wales.
- With social investment, we established a new business development team for our commercial education activities.

- Our award-winning *Different is Normal* campaign with Canesten reached over two million young people and challenged the widespread stigma and harmful body image taboos faced by young women and girls.
- Our two-year *Let's talk. Period* project in partnership with Plan International UK engaged more than 5,370 young women and girls, providing vital education and free period products.
- We delivered our first Sexual Health Week campaign on sex, relationships and disability, working in partnership with Mencap, Fettle and Enhance the UK to launch a suite of digital resource and provide over 1,000 STI home-testing kits to disabled people and their partners.
- We made significant progress in designing digital tools to increase our reach and enhance clients' experience in our clinics, and secured funding to build a vital component of our new Digital Front Door.
- We launched three new online learning courses, working with Lil-lets to develop a course on puberty and with the Open University to develop courses on STIs and abortion, and supported EduCare in the development of a new online course for schools on healthy sexual behaviours.
- We celebrated the decriminalisation of abortion and the legalisation of same sex marriage in Northern Ireland, and the roll out of the HPV vaccination programme across the UK.
- We collected 10,278 feedback reviews across our clinical and education services which showed that 98% of young people are likely to recommend our clinical services and involving young people appropriately in decisions about their health was rated 4.9/5 stars.
- Safeguarding young people will always remain our priority. During 2019/20 we made over 1,270 safeguarding referrals for under 25s, with over 30% aged just 10-13. We introduced external safeguarding supervision training for our staff and are rolling out mental health first aid training and trauma-informed practice training to support our staff cope with the pressures of safeguarding.

### **Achievement against objectives**

- 1.4m young people helped through our face-to-face and online services.
- 69,526 clinical client visits.
- Over 1/3 of clinical clients were from the top 20% of deprived communities.
- 128,032 young people helped through our education and wellbeing work.
- 8,541 professionals trained.
- Education programmes delivered in 36% of English local authorities.

## Financial review

### Financial position at year end

Our accounts for 2019/20 are presented on pages 17 to 37. Our income for the year totalled £9,863,974 (2019: £9,163,320), comprising £8,578,717 (2019: £8,384,846) unrestricted income and £1,285,257 (2019: £778,474) restricted income.

Our expenditure for the period totalled £9,793,349 (2019: £9,654,952), comprising £8,457,226 (2019: £8,749,001) unrestricted expenditure and £1,307,857 (2019: £905,951) restricted expenditure. This resulted in a net movement of funds (before the transfer to Brook Jersey) of £70,625, (2019: (£491,632)).

### Principal funding sources

Brook is primarily funded by:

1. Local Authorities: £4,536,380
2. Clinical Commissioning Groups: £3,464,824
3. Charitable foundations: £50,302
4. Grants: £1,251,915
5. Corporate and Other Sources: £560,553

Brook's services are commissioned by local authorities as part of their Public Health responsibilities. These funds enable the majority of our charitable activities including our clinical services. We seek grants, sponsorships and donations, and earn income by selling services and resources to enable non-commissioned activity, including our online information and support, participation activities, campaigning and advocacy, and investment in service development.

### Significant events that have affected financial performance

The commissioning environment in which Brook operates has continued to be challenging. Our Milton Keynes service closed in March 2020, but we were delighted to secure a significant new all-age contract in Cornwall which commenced in December 2019.

We secured social investment funding from Big Issue Invest to support the expansion of our education work, and Social and Sustainable Capital provided a working capital facility to support the mobilisation of the new Cornwall contract.

In response to the COVID-19 pandemic, we have rapidly mobilised new digital services to continue to support our service users. Budget and cash flow projections are being kept under review to assess the impact on our resources.

## Investments

Brook does not hold material financial investments. We have clear procedures for the investments of funds, with clear approval and authority limits. We assess the ethical

acceptability of any proposed investment in terms of its fit with Brook's objectives, policies and values, and the potential for any actual or perceived conflict of interest.

## Key risks and uncertainties

The Executive Team records the organisation's strategic risks in Brook's strategic risk register, which is reported to the Board every six months. As at March 2020, there were two 'red' rated risks on our strategic risk register:

- Financial and operational challenges associated with the external commissioning landscape.
- Inadequate ICT systems adversely affect service delivery, efficiency and information governance.

Mitigating actions are monitored by the Executive Team and Board. These include:

- Tendering as lead provider where feasible, and diversification of tendering;
- Consulting with commissioners and lead providers to secure contract values;
- Developing new service models for digital and outreach-based services;
- Development of a new three-year ICT strategy;
- Completion of actions identified through independent penetration testing;
- Securing Cyber Essentials Plus accreditation.

Following the end of the 2019/20 year the COVID-19 pandemic was added to the strategic risk register as a new 'red' rated risk. Mitigations being delivered include:

- A detailed COVID-19 continuity plan supplemented by local service continuity plans;
- Appropriate health and safety risk assessments;
- Income and cashflow reforecasts.

Brook responded rapidly to ensure that services were still available for those who needed them most. We maintained our clinical delivery when many statutory services closed, moving to appointment only face-to-face services, supported by an extended phone triage and photo diagnosis, ensuring capacity was protected for those most vulnerable and at risk. We mobilised new digital and remote services, enabling the online ordering of testing kits and contraception. While our education work in schools ceased during the lockdown period, we brought forward our digital transformation plans by investing in new technologies to allow remote consultations and online training for professionals.

COVID-19 has had a negative impact on our earned income but we received support from the government's Job Retention Scheme and secured additional social finance and grants to support our digital innovation. This funding, combined with Brook's investment in its governance, finance and business development in recent years, meant that we were well placed to respond and adapt to the challenges and uncertainties faced.

## Plans for future periods

Our new Strategic Plan for 2020-2023 launched in April 2020, setting out our strategic priorities for the period. Our annual business plan for 2020/21 sets out the activities that we will undertake in the first year of the new strategic plan and, although we have reviewed our targets to reflect the impact of COVID-19, we are on track to deliver the planned activities. During 2020/21 we will:

- **Challenge inequality** through young people's participation groups, influencer campaigns and professionals training, while investing in our people to ensure we can deliver exceptional services.
- **Increase accessibility** through the identification of barriers to accessing our services, targeted work with identified communities, new strategic partnerships and accessibility assured resources.
- **Transform digitally** through the launch of the *Welcome to Brook* tool and expansion of *Brook Learn*, the delivery of digital clinical services with SH:24 in Cornwall, and staff participation in digital innovation processes.
- **Drive innovation** through piloting new programmes, co-producing products and services with service users, delivering our income generation strategy and expanding our reach.

## Pension liabilities

The charity has a potential liability to the Pensions Trust (see Note 21). The present value at 31 March 2020 was £12,720 (2019: £15,431). In addition, Brook pays into a stakeholder scheme on behalf of its other employees.

## Reserves

Brook's *Managing Resources Pillar Policy* states:

*We will maintain a minimum level of unrestricted reserves equivalent to three months total operating costs, subject to regular review to ensure the policy remains appropriate to the organisation's development.*

### Reserves held

At 31 March 2020, Brook held £1,461,756 (2019: £1,520,523) total funds in reserve. Of these funds:

- £239,194 are restricted and not available for general purposes;
- £682,751 are designated;
- £539,811 are available as free reserves.

Three months' operating costs, and therefore our minimum level of unrestricted reserves is £2,000,000. Such minimum reserves provide a temporary buffer against planned and unplanned peaks and troughs of income and expenditure and mitigate financial risk.

At £539,811 our unrestricted reserves level is below this minimum threshold. We have implemented a number of cost-saving and other initiatives as part of a wider multi-year plan to reshape the charity's operations and deliver surpluses in future years. It is expected that the charity will have unrestricted reserves above the minimum level by 2022/23.

### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern

## Statement of trustees' responsibilities

The trustees (who are the directors of Brook for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and have chosen to adopt United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees confirm that they have complied with the duty in section 7 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The trustees report, which incorporates the strategic report on pages 4 to 13 was approved and signed on behalf of the trustees:

**Signature:** 

Scott Bennett, Chair of the Board of Trustees

**Date:** 25/11/20

## Independent auditor's report to the members of Brook Young People

### Opinion

We have audited the financial statements of Brook Young People for the year ended 31 March 2020 which comprises the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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.

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

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## 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 Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) 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 included within the Trustees' Annual 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and 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 charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Use of our report**

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

**Signature:**



Lee Stokes (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors  
10 Queen Street Place, London, EC4R 1AG

**Date: 25 November 2020**

## Consolidated statement of financial activities (Incorporating the income and expenditure account) For the year ended 31 March 2020

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
<b>Income from</b>					
Donations & legacies		11,960	38,342	50,302	81,138
Grants	3	5,000	1,246,915	1,251,915	740,159
Income from charitable activities					
Improving young people's sexual health	4	8,545,157	-	8,545,157	8,326,373
Other income		16,600	-	16,600	15,650
<b>Total income</b>		<b>8,578,717</b>	<b>1,285,257</b>	<b>9,863,974</b>	<b>9,163,320</b>
<b>Expenditure</b>					
Costs of raising funds					
Fundraising		28,266	-	28,266	4,933
Cost of charitable activities					
Improving young people's sexual health	5	8,457,226	1,307,857	9,765,083	9,217,017
<b>Total expenditure</b>		<b>8,485,492</b>	<b>1,307,857</b>	<b>9,793,349</b>	<b>9,221,950</b>
<b>Net income / (expenditure) before transfer to Brook Jersey</b>	9	<b>93,225</b>	<b>(22,600)</b>	<b>70,625</b>	<b>(58,630)</b>
Transfers to Common Youth		-	-	-	(433,002)
Transfers to Brook Jersey	2	(129,392)	-	(129,392)	-
<b>Net Income / (expenditure)</b>		<b>(36,167)</b>	<b>(22,600)</b>	<b>(58,767)</b>	<b>(491,632)</b>
<b>Net movement in funds for the year</b>		<b>(36,167)</b>	<b>(22,600)</b>	<b>(58,767)</b>	<b>(491,632)</b>
Balance brought forward at 1 April 2019		1,258,729	261,794	1,520,523	2,012,155
<b>Balance carried forward at 31 March 2020</b>	16 17	<b>1,222,562</b>	<b>239,194</b>	<b>1,461,756</b>	<b>1,520,523</b>

There were no gains or losses in the period other than as above. All activities are continuing and are within the Group's objects. The notes on pages 22 to 37 form part of these financial statements.

## Consolidated balance sheet As at 31 March 2020

	Notes	£	2020 £	£	2019 £
<b>Fixed assets</b>					
Tangible assets	10		730,945		554,132
<b>Total fixed assets</b>			<b>730,945</b>		<b>554,132</b>
<b>Current assets</b>					
Stocks	11	143,352		117,107	
Debtors	12	1,066,275		1,129,870	
Cash at bank and in hand		948,636		415,400	
<b>Total current assets</b>		<b>2,158,263</b>		<b>1,662,377</b>	
Creditors: amounts falling due within one year	13	(1,069,684)		(680,555)	
<b>Net current assets</b>			<b>1,088,579</b>		<b>981,822</b>
<b>Total assets less current liabilities</b>			<b>1,819,524</b>		<b>1,535,954</b>
Creditors: amounts falling due after one year	14		(345,048)		-
Provision for pension deficit	21		(12,720)		(15,431)
<b>Net assets</b>			<b>1,461,756</b>		<b>1,520,523</b>
<b>Funds</b>					
Restricted funds	16		239,194		261,794
Unrestricted funds					
General funds	17		539,811		775,391
Designated funds	17		682,751		483,338
<b>Total funds</b>	18		<b>1,461,756</b>		<b>1,520,523</b>

The notes on pages 22 to 37 form part of these financial statements.

The financial statements were approved by the board of trustees on 25 November 2020 and were signed on its behalf by:

**Signature:** 

Scott Bennett, Chair of the Board of Trustees

**Date:** 25/11/20

Company number: 2466940

## Charity only balance sheet As at 31 March 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	730,945	554,132
<b>Total fixed assets</b>		<b>730,945</b>	<b>554,132</b>
<b>Current assets</b>			
Stocks	11	143,352	105,190
Debtors	12	1,066,275	1,138,938
Cash at bank and in hand		948,636	275,072
<b>Total current assets</b>		<b>2,158,263</b>	<b>1,519,200</b>
Creditors: amounts falling due within one year	13	(1,069,684)	(666,770)
<b>Net current assets</b>		<b>1,088,579</b>	<b>852,430</b>
<b>Total assets less current liabilities</b>		<b>1,819,524</b>	<b>1,406,562</b>
Creditors: amounts falling due after one year	14	(345,048)	-
Provision for pension deficit	21	(12,720)	(15,431)
<b>Net assets</b>		<b>1,461,756</b>	<b>1,391,131</b>
<b>Funds</b>			
Restricted funds	16	239,194	261,794
Unrestricted funds			
General funds	17	549,811	645,999
Designated funds	17	672,751	483,338
<b>Total funds</b>	18	<b>1,461,756</b>	<b>1,391,131</b>

No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. The net movement in funds for the parent charity in the period was a surplus of £70,625.

The notes on pages 22 to 37 form part of these financial statements.

The financial statements were approved by the board of trustees on 25 November 2020 and were signed on its behalf by:

**Signature:** 

Scott Bennett, Chair of the Board of Trustees

**Date:** 25/11/20

Company number: 2466940

## Consolidated cash flow statement For the year ended 31 March 2020

	Notes	2020 £	2019 £
Net cash outflow from operating activities	A	516,709	(456,091)
Cash flows from investing activities and deconsolidation	B	(357,408)	(26,192)
Cash flows from financing activities	C	373,935	(3,256)
<b>Change in cash and cash equivalents</b>		<b>533,236</b>	<b>(485,539)</b>
<b>Cash and cash equivalents at the start of the period</b>		<b>415,400</b>	<b>900,939</b>
<b>Cash and cash equivalents at the end of the period</b>	20	<b>948,636</b>	<b>415,400</b>

Notes to the cash flow statement	2020 £	2019 £
<b>a. Reconciliation of net cash outflow from operating activities</b>		
Net expenditure	(58,767)	(491,632)
Depreciation charges on fixed assets	177,885	204,844
Cash element of mortgage payments	-	3,256
Loss on disposal of fixed assets	-	-
(Increase) / decrease in stocks	(26,244)	(36,488)
(Increase) / decrease in debtors	63,595	85,574
(Decrease) / increase in creditors	360,240	(293,621)
<b>Net cash outflow from operating activities</b>	<b>516,709</b>	<b>(456,091)</b>
<b>b. Cash flows from investing activities and deconsolidation</b>		
Purchase of property, plant and equipment	(354,697)	(81,234)
Deconsolidation of Brook Northern Ireland	-	70,105
Provision for pension deficit and other reserve movement	(2,711)	(15,063)
Interest received	-	-
<b>Cash flow from investing activities and deconsolidation</b>	<b>(357,408)</b>	<b>(26,192)</b>
<b>c. Cash flows from financing activities</b>		
Cash element of mortgage repayments	-	(3,256)
Cash element of bank loan repayments	(16,065)	-
Bank loans	390,000	-
<b>Cash flow from financing activities</b>	<b>373,935</b>	<b>(3,256)</b>

The notes on pages 22 to 37 form part of these financial statements.

## Notes to the financial statements For the year ended 31 March 2020

### 1. Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

#### 1.1 Basis of accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP 2015) (Second Edition, effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Brook's investment in its governance, finances and business development activities in recent years has meant that the organisation was well placed to respond and adapt to the challenges of COVID-19. The financial statements show a surplus before the transfer to Brook Jersey, and there is a rigorous 3-year strategic plan in place to continue to achieve a surplus position each year.

##### 1.1.1 Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods where necessary.

#### 1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the parent company and the subsidiary companies for the year ended 31 March 2020.

The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements on a line by line basis where appropriate.

#### 1.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is

wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

The charity has no legacy income.

Grants are recognised in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

Gifts in kind, including investments, are recognised at their market value on receipt.

## 1.4 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is charged on an accruals basis. Governance costs relate to the general running of the charity, allowing the charity to operate and generate the information required for public accountability, as opposed to the direct management functions inherent in generating funds, service delivery or project work.

### 1.4.1 Allocation of support and governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees. As the charity has only one charitable activity being '*improving young people's sexual health*' all governance costs have been allocated to this.

Expenditure is charged on an accruals basis and is analysed between the group's main activities. Direct expenditure, including staff costs and associated establishment and overhead costs, is allocated directly to the relevant activity. Other staff costs and associated establishment and overhead costs are classified as support costs and are allocated to specific activities by reference to the time spent on each. The group's main activities are:

- Charitable activities comprise expenditure related to the group's charitable objectives;
- Costs of raising funds comprise expenditure related to fundraising activities and related publicity;
- Governance costs comprise expenditure relating to the governance of the group.

## 1.5 Tangible fixed assets and depreciation

Fixed assets costing more than £1,000 are capitalised and depreciated over their estimated useful lives, starting from the first year after capitalisation:

Freehold property	2% straight line
Leasehold property	period of the lease
Improvement to leasehold property	period of the lease
Computer equipment	25% straight line
Fixtures, fittings and equipment	20% straight line

## 1.6 Stocks and consumables

Stocks are stated at the lower of cost and net realisable value. Consumable items for use in the clinics have been valued at cost as represented by the invoiced value and are included in stock values.

## 1.7 Taxation

The group is exempt from corporation tax on its charitable activities.

## 1.8 Operating leases

Operating lease costs are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

## 1.9 Pension scheme

The group contributes to the personal schemes of certain employees. All such pension schemes are defined contribution schemes. The pension cost represents contributions payable by the company during the period.

Brook auto enrolled its staff in August 2015 into the Legal & General Worksave Pension Plan, scheme number Gf87785001.

Brook also contributes to the Pensions Trust's Growth Plan (The Plan). The Plan is funded and is not contracted-out of the State scheme. The scheme is classified as a multi-employer defined benefit scheme where the share of assets and liabilities attributable to each member cannot be accurately quantified. As such contributions relating to current service are accounted for as they fall due but the commitment to make additional contributions in respect of past service deficit are accounted for once the commitment can be quantified.

Contributions to both of these plans are accounted for as they fall due.

## 1.10 Funds

Restricted funds are the unexpended balances of income held on trust to be applied for specific purposes. Designated funds are unrestricted funds that are set aside at the discretion of the trustees for specific purposes: the purpose of specific designated funds is shown in the notes to the financial statements. General funds are the accumulated surplus of income over expenditure and are available for use at the discretion of the trustees in furtherance of the company's objectives.

## 1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Group structure and organisation

Brook Jersey is a charity registered with the Jersey Charity commissioner (no. 118). Brook Young People and Brook Jersey mutually agreed for Brook Jersey to become an independent charity from 1 April 2019. It now operates under a licence agreement with Brook Young People. Its activities are to improve young people's sexual health.

The comparative figures for 2019 in the consolidated financial statements and the notes to the statements include Brook Jersey and as a result of deconsolidation in 2020 there was a decrease in funds totalling £129,392.

## 2.1 Related Party Transactions

	2020 £	2019 £
Recharged Brook Young People to Brook Jersey costs	-	23,843
Central Services Charge to Brook Jersey	32,000	44,792
<b>Total related parties transaction with Brook Jersey</b>	<b>32,000</b>	<b>68,635</b>
At 31 March 2020 Brook Jersey owed Brook Young People	-	11,015

## 3. Income from grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Public health	-	1,026,168	1,026,168	654,893
Other grants	5,000	220,747	225,747	85,266
<b>Total grants</b>	<b>5,000</b>	<b>1,246,915</b>	<b>1,251,915</b>	<b>740,159</b>

Comparative figures	Unrestricted funds £	Restricted funds £	Total 2019 £
Public health	-	654,893	654,893
Other grants	14,324	70,942	85,266
<b>Total grants</b>	<b>14,324</b>	<b>725,835</b>	<b>740,159</b>

## 4. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
PCT funding	3,464,824	-	3,464,824	4,354,250
Local Authority funding	4,536,381	-	4,536,381	3,364,824
Trusts & Corporates	213,999	-	213,999	244,667
Education sales	255,857	-	255,857	242,420
Other income	74,096	-	74,096	120,212
<b>Total charitable activities</b>	<b>8,545,157</b>	<b>-</b>	<b>8,545,157</b>	<b>8,326,373</b>

Comparative figures	Unrestricted funds £	Restricted funds £	Total 2019 £
PCT funding	4,354,250	-	4,354,250
Local Authority funding	3,364,824	-	3,364,824
Trusts & Corporates	244,667	-	244,667
Education sales	242,420	-	242,420
Other income	120,212	-	120,212
<b>Total charitable activities</b>	<b>8,326,373</b>	<b>-</b>	<b>8,326,373</b>

## 5. Total expenditure (excluding Costs of raising funds and Governance costs)

The charity has one charitable activity, being 'improving young people's sexual health'. Costs are allocated to it as follows:

	Direct costs £	Support costs £	Total 2020 £	Total 2019 £
Staff related costs	6,153,826	545,518	6,699,344	6,278,713
Clinical costs	1,094,572	-	1,094,572	1,005,833
Depreciation	160,097	17,788	177,885	204,844
Premises and IT	1,313,502	144,028	1,457,530	1,502,903
Other operational costs	120,317	-	120,317	79,124
Administration	-	243,701	243,701	150,533
<b>Total expenditure</b>	<b>8,842,314</b>	<b>951,035</b>	<b>9,793,349</b>	<b>9,221,950</b>

Comparative figures	Direct costs £	Support costs £	Total 2019 £
Staff related costs	5,767,446	511,267	6,278,713
Clinical costs	1,005,833	-	1,005,833
Depreciation	184,360	20,484	204,844
Premises and IT	1,352,613	150,290	1,502,903
Other operational costs	79,124	-	79,124
Administration	-	150,533	150,533
<b>Total expenditure</b>	<b>8,389,376</b>	<b>832,574</b>	<b>9,221,950</b>

## 6. Governance costs

	Total 2020 £	Total 2019 £
Trustees' expenses	4,518	2,831
Audit	18,150	19,550
Legal fees	4,209	1,906
<b>Total governance costs</b>	<b>26,877</b>	<b>24,287</b>

## 7. Staff costs

	2020 No.	2019 No.
Average number employed	270	261

The aggregate payroll costs of these persons were as follows:

	2020 £	2019 £
Salaries	5,444,383	5,298,198
Social security costs	477,257	450,163
Pension costs	171,429	93,351
Other costs, including recruitment, training, temporary staff and consultants	606,275	436,469
<b>Total staff costs</b>	<b>6,699,344</b>	<b>6,278,181</b>

The number of employees earning in excess of £60,000 was as follows:

	2020 No.	2019 No.
£60,000 - £70,000	3	2
£120,000 - £130,000	-	1
£140,000 - £150,000	1	-

The organisation considers the Key Management Personnel to be the senior management as referred to in the Trustees' Annual Report. Total remuneration of this group in the year was £507,728 (2019: £330,932), which included employers pension costs of £7,910 (2019: £4,361). During the year the group incurred redundancy costs totalling £5,984 (2019: £17,700).

## 8. Trustees' remuneration and expenses

None of the trustees of the charity received any remuneration from the group for their services as trustees (2019: £nil).

During the period, 4 trustees were reimbursed for travelling expenses incurred in attending meetings and other expenses incurred on the group's behalf, totalling £4,518 (2019: 3 trustees were reimbursed expenses totalling £2,831).

## 9. Net income / (expenditure)

Net income / (expenditure) for the period is stated after charging:

	Total 2020 £	Total 2019 £
Auditors' fee	18,150	19,550
Operating leases – land and buildings	559,018	465,494
Operating leases – other	36,297	35,672
Depreciation and loss on disposal of fixed assets	177,885	204,844

## 10. Tangible assets

### 10.1 Tangible assets (Group)

	Freehold property £	Leasehold property & improvements £	Furniture computers equipment £	Total £
<b>Cost</b>				
As at 01 April 2019	480,715	2,441,740	1,339,883	4,262,338
Additions	-	61,670	293,027	354,697
Transfers between asset groups	33,116	(33,116)	(12,759)	(12,759)
Transfer to Brook Jersey	-	(549)	(60,659)	(61,208)
<b>As at 31 March 2020</b>	<b>513,831</b>	<b>2,469,745</b>	<b>1,559,492</b>	<b>4,543,068</b>
<b>Depreciation</b>				
As at 01 April 2019	285,573	2,263,667	1,158,966	3,708,206
Charge for the year	14,000	41,018	122,867	177,885
Transfers	21,168	(21,168)	(12,760)	(12,760)
Transfer to Brook Jersey	-	(14,229)	(46,979)	(61,208)
<b>As at 31 March 2020</b>	<b>320,741</b>	<b>2,269,288</b>	<b>1,222,094</b>	<b>3,812,123</b>
<b>Net book value</b>				
<b>As at 31 March 2020</b>	<b>193,090</b>	<b>200,457</b>	<b>337,398</b>	<b>730,945</b>
As at 31 March 2019	195,142	178,073	180,917	554,132

## 10.2 Tangible assets (Charity)

	Freehold property £	Leasehold property & improvements £	Furniture computers equipment £	Total £
<b>Cost</b>				
As at 01 April 2019	480,715	2,441,191	1,279,224	4,201,130
Additions	-	61,670	293,027	354,697
Transfers	33,116	(33,116)	(12,759)	(12,759)
<b>As at 31 March 2020</b>	<b>513,831</b>	<b>2,469,745</b>	<b>1,559,492</b>	<b>4,543,068</b>
<b>Depreciation</b>				
As at 01 April 2019	285,573	2,249,438	1,111,987	3,646,998
Charge for the year	14,000	41,018	122,867	177,885
Transfers	21,168	(21,168)	(12,760)	(12,760)
<b>As at 31 March 2020</b>	<b>320,741</b>	<b>2,269,288</b>	<b>1,222,094</b>	<b>3,812,123</b>
<b>Net book value</b>				
<b>As at 31 March 2020</b>	<b>193,090</b>	<b>200,457</b>	<b>337,398</b>	<b>730,945</b>
As at 31 March 2019	195,142	191,753	167,237	554,132

## 11. Stocks and work in progress

Group	2020 £	2019 £
Publications & consumables	143,352	117,107
<b>Total</b>	<b>143,352</b>	<b>117,107</b>
Charity	2020 £	2019 £
Publications & consumables	143,352	105,190
<b>Total</b>	<b>143,352</b>	<b>105,190</b>

## 12. Debtors

### 12.1 Debtors (Group)

	2020 £	2019 £
Trade debtors	589,896	737,568
Other debtors	46,978	41,813
Prepayments and accrued income	429,401	350,489
<b>Total Group debtors</b>	<b>1,066,275</b>	<b>1,129,870</b>

## 12.2 Debtors (Charity)

	2020 £	2019 £
Trade debtors	589,896	737,568
Intercompany debtor – Brook Jersey	-	11,015
Other debtors	46,978	41,813
Prepayments and accrued income	429,401	348,542
<b>Total Charity debtors</b>	<b>1,066,275</b>	<b>1,138,938</b>

## 13. Creditors: amounts falling due within one year

### 13.1 Creditors (Group)

Amounts falling due within one year:

	2020 £	2019 £
Trade creditors	592,370	431,185
Social security and other taxes	266,322	116,547
Accruals and deferred income	102,311	109,670
Other creditors	108,681	23,153
<b>Total Group creditors</b>	<b>1,069,684</b>	<b>680,555</b>

Accruals and deferred income include £23,833 (2019: £20,483) of income that was deferred to a future year in line with when the related work is carried out. All deferred income as at 31 March 2020 was released to the SOFA during the year.

### 13.2 Creditors (Charity)

Amounts falling due within one year:

	2020 £	2019 £
Trade creditors	592,370	425,615
Social security and other taxes	266,322	111,069
Accruals and deferred income	102,311	106,933
Other creditors	108,681	23,153
<b>Total Charity creditors</b>	<b>1,069,684</b>	<b>666,770</b>

Accruals and deferred income include £23,833 (2019: £19,246) of income that was deferred to a future year in line with when the related work is carried out. All deferred income as at 31 March 2020 was released to the SOFA during the year.

## 14 Creditors: amounts falling due after one year

### 14.1 Creditors (Group)

Amounts falling due after more than one year:

	2020 £	2019 £
Bank Loans	345,048	-
<b>Total Charity creditors</b>	<b>345,048</b>	<b>-</b>

Two loans were taken out in the year. The first was with Big Issue Invest, repayable over 36 months at an interest rate of 8%, the loan is unsecured. The second was with Social and Sustainable Capital, repayable over 19 months at an interest rate of 8%, the loan is secured by a floating debenture.

### 14.2 Creditors (Charity)

Amounts falling due after more than one year:

	2020 £	2019 £
Bank Loans	345,048	-
<b>Total Charity creditors</b>	<b>345,048</b>	<b>-</b>

## 15. Operating leases (Group)

	2020 Land & buildings £	2020 Other £	2019 Land & buildings £	2019 Other £
<b>Leases expiring:</b>				
Within one year	421,783	36,917	436,188	35,672
Within 2-5 years	300,852	625	675,527	35,672
Over five years	-	-	413	-
<b>Total commitment</b>	<b>722,635</b>	<b>37,542</b>	<b>1,112,128</b>	<b>71,344</b>

All of the above at the year-end relate to the charity, with the exception of £0 (2019: £56,250) within 2-5 years Land & Buildings.

## 16. Restricted funds

### 16.1 Restricted funds (Group)

	Balance 01/04/19 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/20 £
Restricted assets	261,794	-	(22,600)	-	239,194
Restricted projects	-	1,285,257	(1,285,257)	-	-
<b>Total</b>	<b>261,794</b>	<b>1,285,257</b>	<b>1,307,857</b>	<b>-</b>	<b>239,194</b>

Comparative figures	Balance 01/04/18 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/19 £
Restricted assets	285,668	-	(23,874)	-	261,794
Restricted projects	103,603	778,474	(802,930)	(79,147)	-
<b>Total</b>	<b>389,271</b>	<b>778,474</b>	<b>(826,804)</b>	<b>(79,147)</b>	<b>261,794</b>

Restricted assets are linked to specific properties whose future use is limited by covenants. Restricted projects are summarised in more detail below.

Restricted projects (summarised below) represent funds given to the group for specific purposes. Any unspent at the yearend are carried forward.

Restricted projects	Balance 01/04/19 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/20 £
Garfield Foundation	-	25,000	25,000	-	-
Epping Forest Public Health	-	10,000	10,000	-	-
NCA Academic Research	-	49,500	49,500	-	-
MK Community Trust Shop	-	33,342	33,342	-	-
Tampon Tax Grant	-	1,026,168	1,026,168	-	-
Rank Foundation - Liverpool	-	19,087	19,087	-	-
Bristol Spellman Trust	-	5,000	5,000	-	-
Cornwall CC – Head start	-	20,834	20,834	-	-
FHWB	-	342	342	-	-
Francis Crick	-	1,000	1,000	-	-
Roger and Douglas TU	-	1,000	1,000	-	-
PHE – Welcome to Brook	-	73,984	73,984	-	-
Health Education England	-	20,000	20,000	-	-
<b>Total</b>	<b>-</b>	<b>1,285,257</b>	<b>1,285,257</b>	<b>-</b>	<b>-</b>

Restricted funds as at 31 March 2020 totalling £239,194 relate to the charity (2019: £261,794).

## 16.2 Restricted funds (charity)

	Balance 01/04/19 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/20 £
Restricted assets	261,794	-	(22,600)	-	239,194
Restricted projects	-	1,285,257	(1,285,257)	-	-
<b>Total</b>	<b>261,794</b>	<b>1,285,257</b>	<b>1,307,857</b>	<b>-</b>	<b>239,194</b>

Comparative figures	Balance 01/04/18 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/19 £
Restricted assets	285,668	-	(23,874)	-	261,794
Restricted projects	24,456	768,989	(714,298)	(79,147)	-
<b>Total</b>	<b>310,124</b>	<b>768,989</b>	<b>(738,172)</b>	<b>(79,147)</b>	<b>261,794</b>

## 17. Unrestricted funds

### 17.1 Unrestricted funds (Group)

	Balance 01/04/19 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/20 £
Unrestricted funds	645,999	8,578,717	(8,674,905)	-	549,811
Designated funds					
Fixed assets funds	292,338	-	(155,285)	354,698	491,751
Dilapidations funds	191,000	-	(10,000)	-	181,000
Brook Jersey	129,392	-	-	(129,392)	-
<b>Total</b>	<b>1,258,729</b>	<b>8,578,717</b>	<b>(8,840,190)</b>	<b>225,306</b>	<b>1,222,562</b>

### 17.2 Unrestricted funds (Charity)

	Balance 01/04/19 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/20 £
Unrestricted funds	645,999	8,578,717	(8,674,905)	-	549,811
Designated funds					
Fixed assets funds	292,338	-	(155,285)	354,698	491,751
Dilapidations funds	191,000	-	(10,000)	-	181,000
<b>Total</b>	<b>1,129,337</b>	<b>8,578,717</b>	<b>(8,840,190)</b>	<b>354,698</b>	<b>1,222,562</b>

Designated funds have been created to represent the net book value of unrestricted fixed assets and an approximation of dilapidations owed on clinic premises. All other funds are classified as general funds.

## 18. Analysis of net assets between funds

### 18.1 Analysis of net assets between funds (Group)

	Tangible fixed assets £	Net current assets £	Long term creditors £	Total 2020 £
Restricted funds	239,194	-	-	239,194
General funds	-	907,579	(357,768)	549,811
Designated funds	491,751	181,000	-	672,751
<b>Total</b>	<b>730,945</b>	<b>1,088,579</b>	<b>(357,768)</b>	<b>1,461,756</b>

Comparative figures	Tangible fixed assets £	Net current assets £	Long term creditors £	Total 2019 £
Restricted funds	261,794	-	-	261,794
General funds	-	790,822	(15,431)	775,391
Designated funds	292,338	191,000	-	483,338
<b>Total</b>	<b>554,132</b>	<b>981,822</b>	<b>(15,431)</b>	<b>1,520,523</b>

### 18.2 Analysis of net assets between funds (Charity)

	Tangible fixed assets £	Net current assets £	Long term creditors £	Total 2020 £
Restricted funds	239,194	-	-	239,194
General funds	-	907,579	(357,768)	549,811
Designated funds	491,751	181,000	-	672,751
<b>Total</b>	<b>730,945</b>	<b>1,088,579</b>	<b>(357,768)</b>	<b>1,461,756</b>

Comparative figures	Tangible fixed assets £	Net current assets £	Long term creditors £	Total 2019 £
Restricted funds	261,794	-	-	261,794
General funds	-	661,430	(15,431)	645,999
Designated funds	292,338	191,000	-	483,338
<b>Total</b>	<b>554,132</b>	<b>852,430</b>	<b>(15,431)</b>	<b>1,391,131</b>

## 19. Contingent liabilities

Four of the properties owned by Brook were purchased with the assistance of public authorities. If Brook stops using the property for the intended purposes, an amount is potentially repayable. The properties are regularly valued in order to assess the potential liability if any of the

properties were sold or stopped being used. For three of the properties the potential liability would be based on a percentage of the future sale proceeds, these range from 81% to 100%. For the fourth property the liability is the higher of £35,000 or a relevant proportion of the sales value. As the potential future sales values are unknown it is not possible to calculate the expected sales proceeds, and therefore the total potential liability. All four properties have been used for many years, and there is no indication or intention that Brook will cease carrying out its charitable activities at any of the locations.

## 20. Analysis of changes in net debt

	1 April 2019 £	Cash flows £	Other non-cash changes £	31 March 2020 £
Cash and cash equivalents				
Cash	415,400	533,236	-	948,636
	415,400	533,236	-	948,636
Borrowings				
Debt due within one year	-	16,065	(44,952)	(28,887)
Debt due after one year	-	(390,000)	44,952	(345,048)
	-	(373,935)	-	(373,935)
<b>Total commitment</b>	<b>415,400</b>	<b>159,301</b>	<b>-</b>	<b>574,701</b>

## 21. Pensions

The company participates in the Pensions Trust Growth plan on behalf of some long-serving employees, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

From 1 April 2016 to 30 September 2025	£12,945,440 per annum (payable monthly and increasing by 3% each on 1 <sup>st</sup> April)
From 1 April 2016 to 30 September 2028	£54,560 per annum (payable monthly and increasing by 3% each on 1 <sup>st</sup> April)
From 1 April 2019 to 31 January 2025	£11,243,000 per annum (payable monthly and increasing by 3% each on 1 <sup>st</sup> April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

### 21.1 Present values of provision

	31 March 2020 £	31 March 2019 £	31 March 2018 £
Present value of provision	12,720	15,431	30,494

### 21.2 Reconciliation of opening and closing provisions

	Period ending 31 March 2020 £	Period ending 31 March 2019 £
Provision at start of period	15,431	30,494
Unwinding of the discount factor (interest expense)	196	431
Deficit contribution paid	(2,562)	(6,921)
Remeasurements – impact of any change in assumptions	(345)	140
Remeasurements – amendments to the contribution schedule	-	(8,713)
Provision at end of period	12,720	15,431

### 21.3 Assumptions

	31 March 2020 % per annum	31 March 2019 % per annum	31 March 2018 % per annum
Rate of discount	2.53%	1.39	1.71

## 22. Comparative information

### Consolidated statement of financial activities (Incorporating the income and expenditure account) For the year ended 31 March 2019

	Unrestricted funds £	Restricted funds £	Total funds 2019 £
<b>Income from</b>			
Donations & legacies	28,499	52,639	81,138
Grants	14,324	725,835	740,159
Investment income	-	-	-
Income from charitable activities			
Improving young people's sexual health	8,326,373	-	8,326,373
Other income	15,650	-	15,650
<b>Total income</b>	<b>8,384,846</b>	<b>778,474</b>	<b>9,163,320</b>
<b>Expenditure</b>			
Costs of raising funds			
Fundraising	4,933	-	4,933
Cost of charitable activities			
Improving young people's sexual health	8,390,213	826,804	9,217,017
<b>Total expenditure</b>	<b>8,395,146</b>	<b>826,804</b>	<b>9,221,950</b>
<b>Net (expenditure) before transfer to Common Youth</b>	<b>(10,300)</b>	<b>(48,330)</b>	<b>(58,630)</b>
Transfers to Common Youth	(353,855)	(79,147)	(433,002)
<b>Net income / (expenditure)</b>	<b>(364,155)</b>	<b>(127,477)</b>	<b>(491,632)</b>
<b>Net movement in funds for the year</b>	<b>(364,155)</b>	<b>(127,477)</b>	<b>(491,632)</b>
Balance brought forward at 1 April 2018	1,622,884	389,271	2,012,155
<b>Balance carried forward at 31 March 2019</b>	<b>1,258,729</b>	<b>261,794</b>	<b>1,520,523</b>