

Brook Young People

**Report of the trustees and financial statements for
the year ended 31 March 2021**

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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	Penhaligon House, Green Street, Truro, TR1 2LH
Chief Executive	Helen Marshall
Company Secretary	Sally Hutchings
Auditors	Haysmacintyre LLP 10 Queen Street Place, London, EC4R 1AG
Bankers	Lloyds Bank 1 st 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 and up to the date of signing:

Scott Bennett (Chair)

Jo Youle (Deputy Chair) *(resigned 25/11/2020)*

Leon Ward (Deputy Chair)

David Clark

Clare Daly *(appointed 09/08/2021)*

Maxine Evans

Pamela Leonce *(appointed 17/03/2021)*

Chris Martin

Laura Russell *(resigned 22/09/2021)*

Tim Tod

Senior Management

At the date of this report, the Executive Team comprises:

Helen Marshall, Chief Executive

Jo Oxlade, Deputy Chief Executive

Dougie Boyd, Director of Education

Louise Carrington, Director of Operations

Laura Hamzic, Director of Digital & Communications

Simon Theobald, Director of Finance

Introduction

The trustees present their annual report and financial statements of the charity for the year ended 31 March 2021.

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 2020/21 Brook Young People (Brook) had one subsidiary charity – Brook Scotland (company no. SC159534; charity no. SC023964) which is currently dormant.

Governing document and constitution

Brook is constituted as a limited company and is a registered charity. Brook is governed by its Articles of Association, which were reviewed and updated in July 2020. 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, with the exception of the Chair who may be reappointed for a third term in exceptional circumstances. This option was utilised by the board in July 2020. The Chair may extend the second term of any trustee by one additional year in order to achieve a stable retirement cycle of trustees. This option was utilised in respect of the Deputy Chair in November 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 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 Education, Director of Operations, Director of Digital and Communications and Director of Finance.

In September 2018 the board of trustees reviewed and adopted the Charity Governance Code. Where improvements could be made, the board agreed actions to increase compliance. In June 2020 an external board performance review with a strong strategic focus was commissioned. Recommendations from this review, alongside the actions identified from the review of the Charity Governance Code which includes updates to the code in December 2020 have been combined into a board development plan, most recently reviewed and updated in March 2021.

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 for their services as trustees. Expenses were reimbursed as detailed in Note 7.

Relationships with related parties

During 2020/21 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.

Brook's multidisciplinary team takes a holistic approach to sexual health and wellbeing. Our unique combination of clinical services and education programmes are designed to meet young people's immediate needs and instil positive behaviours that influence their whole lives. 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 our service users 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. We amplify the voices of young people in our advocacy work, ensuring sexual health remains high on the political agenda and that law, policy and practice is aligned with what they need.

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
- Trustworthy
- Collaborative
- Courageous

Our strategic aims and strategies for achieving them

2020/21 is our first year implementing our ambitious new strategy for 2020-2023, devised in consultation with 200 young people, our expert staff and our partners. Over the three years, we aim to increase access to our services, particularly for those facing barriers and discrimination. We are digitally transforming our provision, driving innovative solutions to meet the ever-changing needs and expectations of our stakeholders. By championing the voice of young people, we are challenging inequality and effecting meaningful change.

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

- Challenging inequality
- Transforming digitally
- Increasing accessibility
- 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 our service users, enabling us to identify national and regional trends and develop innovative solutions to protect the most vulnerable. Our systemic collection of feedback through the independent digital platform iWantGreatCare has been highlighted by the General Medical Council as a positive example of how to gather continuous and meaningful patient feedback. Over the past year we have applied research strategies and processes, forming a new Research Reference Group to strengthen our theories of change and service designs, and we have begun the introduction of data science and business analysis techniques that will help us better understand the demand and use of our face-to-face and digital services.

Volunteering and participation

Brook is committed to ensuring that young people's voices are heard through our work. As part of our commitment to amplify the voice of young people, during 2020/21 we further invested in our participation resources. Our newly established participation team is empowering young people to lead campaigns and co-produce services and is prioritising young people's personal development, upskilling volunteers in core sexual and reproductive health topics. Local participation groups are being formed with young people contributing to the re-design of our clinic waiting rooms, transforming the waiting areas into bright, contemporary spaces which reflect our brand as well as offering comfort and privacy.

Brook has signed up to the #iwill campaign's Power of Youth Charter and will be developing youth led campaigns to champion equality, influence public opinion and help inform local health commissioning. In June 2020 we conducted our *Life Under Lockdown* survey with young people accessing our clinics, revealing the impact of the pandemic on young people's wellbeing. The findings from this survey were published in *Inside Out. Young People's Health and Wellbeing: A Response to COVID*, a joint report with the National Youth Agency. Brook also consulted young people as part of our joint report with the Open University, *Lessons for the New Era of Mandatory RSE*, which highlights the importance of providing young people with accessible clinical services alongside high quality RSE in order to improve sexual health outcomes.

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:

- Adapting to the constraints of lockdown, we mobilised digital platforms while ensuring our clinics remained open to those who required essential face-to-face interventions or safeguarding support.
- The continued successful expansion into all-age provision enabled wider communities to benefit from our holistic, whole life approach. In the first year of our digitally-led service in Cornwall, delivered in partnership with SH:24, we delivered 12,000 STI home testing kits, over 1,600 contraceptive pill prescriptions and treated over 6,000 clients at our clinics in 17 locations across Cornwall.
- We made over 805 safeguarding referrals and revised our policies and procedures to provide a swifter, more robust response to young people at risk of suicide.
- Our education offer was standardised and we developed a quality assured PSHE curriculum covering years 1-13. Our education and training offer moved online to ensure that schools were prepared for the introduction of mandatory RSE.
- We celebrated the launch of *Welcome to Brook*, our new digital tool to triage young people in our clinics and make consultations more efficient. This patient portal provides more modern, efficient services for those who can self-care and protects valuable face-to-face time for those more vulnerable service users.

- For our second Sexual Health Week campaign, we celebrated the introduction of mandatory RSE and delivered our biggest ever virtual RSE lesson to almost 7,000 young people.
- We launched *Love Sex Life* in the London Boroughs of Lambeth, Lewisham and Southwark in partnership with Blueprint for All, sexual health and HIV charity NAZ, and social change agency Shape History. This innovative project aims to remove the access barriers to sexual health services for black and minority ethnic communities.
- In Blackburn, we are supporting street sex workers and LGBTQ+ communities to access digital sexual health services, as well as raising awareness and skills of frontline professionals to better support those communities who may be experiencing poverty or disadvantage to more confidently engage with digital healthcare.
- In Wales, Brook Cymru presented evidence to the Senedd's Children, Young People and Education Committee on the need for high quality RSE within the new curriculum for Welsh schools, which comes into effect from September 2022.
- New courses were launched on Brook Learn, our bespoke online learning platform for professionals, and registered users grew to over 10,500, an annual increase of 128%.
- We widened our reach through strategic partnerships. The *Love Your Vulva* web app, created in collaboration with Canesten, has been used by over 189,000 young people, while our Instagram campaign with Netflix UK led to over 1.3 million impressions. Our online puberty course for education professionals, in partnership with Lil-Lets, has been completed by over 2,477 professionals in the past year.
- We collected 4,645 feedback reviews, with 99% of young people rating our clinical services as Good or Very Good, with a rating of 4.97 out of 5 for treating young people with dignity and respect.

Achievement against objectives

- 1.3 million young people were supported through our face to face and digital services
- 47,861 individuals supported through our clinical and education services.
- 51,922 clinical client visits.
- 30,518 education contacts.
- 14,083 telemedicine consultations.
- 4,944 professionals trained.
- 5,916 new subscribers to our Brook Learn digital training platform for professionals.
- Over 1/3 of clinical clients were from the top 20% of deprived communities.
- 1.5m views of our online help and advice pages.

Financial review

Financial position at year end

Our accounts for 2020/21 are presented on pages 19 to 33. Our income for the year totalled £9,930,611 (2020: £9,863,974), comprising £9,727,223 (2020: £8,578,717) unrestricted income and £203,388 (2020: £1,285,257) restricted income.

Our expenditure for the period totalled £9,625,851 (2020: £9,793,349), comprising £9,400,973 (2020: £8,457,226) unrestricted expenditure and £224,878 (2020: £1,307,857) restricted expenditure. This resulted in a net movement of funds of £304,760 (2020: £70,625).

Principal funding sources

Brook is primarily funded by:

1. Local Authorities: £5,576,675
2. Clinical Commissioning Groups: £3,376,332
3. Charitable foundations: £208,388
4. Corporate sources: £173,312

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 COVID-19 pandemic has seen a reduction in education and training sales and corporate income, primarily due to schools closures, the postponement of a music festivals contract, and the delay in some tendering activity. However, we have been successful in securing grant funding for the mobilisation of new digital services in response to the pandemic and have benefited from the Coronavirus Job Retention Scheme. Combined with significant reductions in some areas of expenditure, including staff travel, this has meant that we surpassed our budgeted surplus target for 2020/21.

2020/21 was the first full year of our Level 3, all-age integrated sexual health contract in Cornwall, contributing to an increase in turnover and supporting positive cash-flow. During the year we secured two further Level 3, all-age contracts in Blackburn with Darwen and Southend-on-Sea, with these services launching in April 2021.

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 reviewed quarterly and reported to the Risk, Finance & Audit Committee and the Board every six months. As at March 2021, there were two red rated risks on our strategic risk register:

- Capacity issues associated with challenges in clinical recruitment.
- Inadequate ICT systems adversely affect service delivery, efficiency and information governance.

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

- Nurse recruitment and retention strategy;
- Development of clinical training roles;
- Investment in nurse managers as Faculty Registered Trainers;
- Development of a new three-year ICT strategy;
- Completion of ICT actions identified through independent penetration testing;
- Securing Cyber Essentials Plus re-certification.

One risk previously rated red was relegated during the year. *Financial and operational challenges associated with the external commissioning landscape* was removed from the strategic risk register due to Brook's success in winning three Level 3 all-age contracts as the prime provider, increasing our likelihood of retaining and growing existing contracts and allowing us to protect specialist sexual health services for young people.

COVID-19

The COVID-19 pandemic was added to the strategic risk register in 2020/21. Originally rated red, this risk is currently rated amber as, although the pandemic continues to have an impact on our income generation and operational delivery, the risk is well managed and mitigated. The risk continues to be monitored closely. Risk mitigations include:

- A detailed COVID-19 continuity plan supplemented by local service continuity plans;
- Appropriate health and safety risk assessments reviewed and updated monthly and as new guidance is issued;
- Income and cash flow reforecasts.

When the majority of sexual health services across the country closed due to the pandemic, our clinical services adapted to the constraints of lockdown to stay open. By moving to a telehealth model, service users were able to receive expert, confidential consultations via telephone, helping our clinics remain open to provide essential face-to-face interventions for those that needed them most. We mobilised digital requests for chlamydia home testing kits, and introduced remote prescribing and postal provision for the contraceptive pill and emergency contraception. Through the introduction of the *Attend Anywhere* platform, we were able to conduct video consultations and continue to deliver one-to-one counselling sessions remotely, providing a vital lifeline for young people left isolated by the closure of

other provision. Although the number of clients accessing Brook clinics per day dropped by 69% during the first lockdown, telehealth consultations increased by 361%. This increase was even higher at 447% in areas of high deprivation.

Our education and training offer quickly moved to online platforms, and our teams were fully trained in this new mode of delivery. By September, we had digitally trained almost 2,000 professionals, helping ensure that schools were prepared for the mobilisation of mandatory RSE despite the pandemic.

Safeguarding young people has always been Brook's priority, but our responsibilities took on even greater significance in light of the pandemic. The closure of schools, other youth provision and young people's support mechanisms resulted in Brook sometimes being one of the only contact points for vulnerable young people with complex needs. Our Level 1 and Level 2 safeguarding training was made available online, allowing staff working from home to access it and meet all mandatory requirements. We also began work to develop a self-directed safeguarding digital learning course in response to demand from other organisations and other sectors working with young people.

Plans for future periods

Our annual business plan for 2021/22 sets out the activities that we will undertake in the second year of our strategic plan. During 2021/22 we will:

- **Challenge inequality** through the implementation of our new participation strategy and volunteering development plan, while investing in our staff to ensure we can deliver exceptional services.
- **Increase accessibility** by strengthening our strategic approach to diversity, developing new partnerships and undertaking targeted work with identified communities.
- **Transform digitally** by further developing the digital front door to our services, championing self-care and protecting valuable face-to-face support for the most vulnerable.
- **Drive innovation** by launching two new Level 3 all-age sexual health services in Blackburn with Darwen and Southend-on-Sea, and opening our new sexual health hub in Truro.

Many of the adaptations we put in place in response to COVID-19 have increased the accessibility of our clinical provision, particularly to the most disadvantaged communities, and it is our intention to continue working in this way. While working to embed a digital first approach, we will ensure our clinics remain open, delivering in-person services for those with complex needs who most need them.

Pension liabilities

The charity has a potential liability to the Pensions Trust (see Note 20). The present value at 31 March 2021 was £10,737 (2020: £12,720). 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 2021, Brook held £1,766,516 (2020: £1,461,756) total funds in reserve. Of these funds:

- £217,704 are restricted and not available for general purposes;
- £946,038 are designated;
- £602,774 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 £1,548,812 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 further surpluses in the future. It is expected that the charity will have unrestricted reserves above the minimum level by 2023/24.

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 report on pages 4 to 13 was approved and signed on behalf of the trustees:

Signature:

Scott Bennett

Scott Bennett, Chair of the Board of Trustees

Date: 24 November 2021

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 2021 which comprise the Statement of Financial Activities, Balance Sheet, the 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 charitable company's affairs as at 31 March 2021 and of the 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 charity 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 trustees' 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

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 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 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 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 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 charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to Care Quality Commission and safeguarding regulations, GDPR, health and safety regulations and employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011 and tax regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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. This description forms part of our auditor's report.

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.

A handwritten signature in black ink, appearing to read 'L Stokes'.

Lee Stokes (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 24 November 2021

10 Queen Street Place
London
EC4R 1AG

Statement of financial activities (Incorporating the income and expenditure account) For the year ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income from					
Donations & legacies		1,322	-	1,322	50,302
Grants	2	5,000	203,388	208,388	1,251,915
Income from charitable activities					
Improving sexual health	3	9,277,297	-	9,277,297	8,545,157
Other income		443,604	-	443,604	16,600
Total income		9,727,223	203,388	9,930,611	9,863,974
Expenditure					
Costs of raising funds					
Fundraising		8,056	-	8,056	28,266
Cost of charitable activities					
Improving sexual health	4	9,392,917	224,878	9,617,795	9,765,083
Total expenditure		9,400,973	224,878	9,625,851	9,793,349
Net income / (expenditure) before transfer to Brook Jersey		326,250	(21,490)	304,760	70,625
Transfer to Brook Jersey		-	-	-	(129,392)
Net Income / (expenditure)		326,250	(21,490)	304,760	(58,767)
Net movement in funds for the year		326,250	(21,490)	304,760	(58,767)
Balance brought forward at 1 April 2020		1,222,562	239,194	1,461,756	1,520,523
Balance carried forward at 31 March 2021	15 16	1,548,812	217,704	1,766,516	1,461,756

There were no gains or losses in the period other than as above. All activities are continuing and are within the Charity's objects. The notes on pages 22 to 33 form part of these financial statements.

Balance sheet

As at 31 March 2021

	Notes	£	2021 £	2020 £
Fixed assets				
Tangible assets	9		948,742	730,945
Total fixed assets			948,742	730,945
Current assets				
Stocks	10	139,888		143,352
Debtors	11	647,202		1,066,275
Cash at bank and in hand		1,513,000		948,636
Total current assets		2,300,090	2,158,263	
Creditors: amounts falling due within one year	12	(1,424,486)		(1,069,684)
Net current assets			875,604	1,088,579
Total assets less current liabilities			1,824,346	1,819,524
Creditors: amounts falling due after one year	13		(47,093)	(345,048)
Provision for pension deficit	20		(10,737)	(12,720)
Net assets			1,766,516	1,461,756
Funds				
Restricted funds	15		217,704	239,194
Unrestricted funds				
General funds	16		602,774	549,811
Designated funds	16		946,038	672,751
Total funds	17		1,766,516	1,461,756

The notes on pages 22 to 33 form part of these financial statements.

The financial statements were approved by the board of trustees on 24 November 2021 and were signed on its behalf by:

Scott Bennett

Signature:

Scott Bennett, Chair of the Board of Trustees

Date: 24 November 2021

Company number: 2466940

Cash flow statement

For the year ended 31 March 2021

	Notes	2021 £	2020 £
Net cash outflow from operating activities	a	970,245	516,707
Cash flows from investing activities and deconsolidation	b	(411,233)	(357,406)
Cash flows from financing activities	c	5,352	373,935
Change in cash and cash equivalents		564,364	533,236
Cash and cash equivalents at the start of the period		948,636	415,400
Cash and cash equivalents at the end of the period	19	1,513,000	948,636

Notes to the cash flow statement	2021 £	2020 £
a. Reconciliation of net cash outflow from operating activities		
Net incoming / (outgoing) resources	304,760	(58,767)
Depreciation charges on fixed assets	191,453	177,883
Decrease / (Increase) in stocks	3,464	(26,244)
Decrease in debtors	419,073	63,595
Increase in creditors	51,495	360,240
Net cash outflow from operating activities	970,245	516,707
b. Cash flows from investing activities and deconsolidation		
Purchase of property, plant and equipment	(409,250)	(354,697)
Provision for pension deficit and other reserve movement	(1,983)	(2,711)
Cash flow from investing activities and deconsolidation	(411,233)	(357,408)
c. Cash flows from financing activities		
Cash element of bank loan repayments	(94,648)	(16,065)
Bank loans	100,000	390,000
Cash flow from financing activities	5,352	373,935

The notes on pages 22 to 33 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2021

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, 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 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.

1.3 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 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 the sexual health of young people and those most vulnerable to sexual ill-health'* all governance costs have been allocated to this.

Expenditure is charged on an accruals basis and is analysed between the charity'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 charity's main activities are:

- Charitable activities comprise expenditure related to the 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 charity.

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 month 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 charity 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 charity 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.

1.11 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. Income from grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Public health	-	-	-	1,026,168
Other grants	5,000	203,388	208,388	225,747
Total grants	5,000	203,388	208,388	1,251,915

Comparative figures	Unrestricted funds £	Restricted funds £	Total 2020 £
Public health	-	1,026,168	1,026,168
Other grants	5,000	220,747	225,747
Total grants	5,000	1,246,915	1,251,915

3. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Clinical Commissioning Groups funding	3,376,332	-	3,376,332	3,464,824
Local Authority funding	5,576,675	-	5,576,675	4,536,381
Trusts & Corporates	173,312	-	173,312	213,999
Education sales	141,190	-	141,190	255,857
Other income	9,788	-	9,788	74,096
Total charitable activities	9,277,297	-	9,277,297	8,545,157

Comparative figures	Unrestricted funds £	Restricted funds £	Total 2020 £
Clinical Commissioning Groups funding	3,464,824	-	3,464,824
Local Authority funding	4,536,381	-	4,536,381
Trusts & Corporates	213,999	-	213,999
Education sales	255,857	-	255,857
Other income	74,096	-	74,096
Total charitable activities	8,545,157	-	8,545,157

4. Total expenditure

The charity has one charitable activity, being 'improving the sexual health of young people and those most vulnerable to sexual ill health'. Costs are allocated to it as follows:

	Direct costs £	Support costs £	Total 2021 £	Total 2020 £
Staff related costs	5,612,851	495,579	6,108,430	6,699,344
Clinical costs	1,410,882	-	1,410,882	1,094,572
Depreciation	172,308	19,145	191,453	177,885
Premises and IT	1,296,904	142,208	1,439,112	1,457,530
Other operational costs	112,986	-	112,986	120,317
Administration	-	362,988	362,988	243,701
Total expenditure	8,605,931	1,021,903	9,625,851	9,793,349

4. Total expenditure (continued)

Comparative figures	Direct costs £	Support costs £	Total 2020 £
Staff related costs	6,153,826	545,518	6,699,344
Clinical costs	1,094,572	-	1,094,572
Depreciation	160,097	17,788	177,885
Premises and IT	1,313,502	144,028	1,457,530
Other operational costs	120,317	-	120,317
Administration	-	243,701	243,701
Total expenditure	8,842,314	951,035	9,793,349

5. Governance costs

	Total 2021 £	Total 2020 £
Trustees' expenses	-	4,518
Audit	25,680	18,150
Legal fees	900	4,209
Total governance costs	26,580	26,877

6. Staff costs

	2021 No.	2020 No.
Average number employed	235	270

The aggregate payroll costs of these persons were as follows:

	2021 £	2020 £
Salaries	5,266,414	5,444,383
Social security costs	481,970	477,257
Pension costs	201,633	171,429
Other costs, including recruitment, training, temporary staff and consultants	160,396	606,275
Total staff costs	6,110,413	6,699,344

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

	2021 No.	2020 No.
£60,000 - £70,000	4	3
£70,000 - £80,000	1	-
£80,000 - £90,000	3	-
£140,000 - £150,000	1	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 £706,647 (2020: £507,728), which included employers pension costs of £10,464 (2020: £7,910). There were three additional posts appointed in the year. During the year the charity incurred redundancy costs totalling £21,849 (2020: £5,984).

7. Trustees' remuneration and expenses

None of the trustees of the charity received any remuneration from the charity for their services as trustees (2020: £nil).

During the period, no trustees were reimbursed for travelling expenses incurred in attending meetings and other expenses incurred on the charity's behalf, totalling £0 (2020: 4 trustees were reimbursed expenses totalling £4,518).

8. Net income / (expenditure)

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

	Total 2021 £	Total 2020 £
Auditors' fee	25,680	18,150
Operating leases – land and buildings	623,279	559,018
Operating leases – other	37,230	36,297
Depreciation and loss on disposal of fixed assets	191,453	177,883

9. Tangible assets

	Freehold property £	Leasehold property & improvements £	Furniture computers equipment £	Total £
Cost				
As at 01 April 2020	513,831	2,469,745	1,559,492	4,543,068
Additions	-	174,486	234,764	409,250
As at 31 March 2021	513,831	2,644,231	1,794,256	4,952,318
Depreciation				
As at 01 April 2020	320,741	2,269,288	1,222,094	3,812,123
Charge for the year	14,000	52,685	124,768	191,453
Transfers	-	-	-	-
As at 31 March 2021	334,741	2,321,973	1,346,862	4,003,576
Net book value				
As at 31 March 2021	179,090	322,258	447,394	948,742
As at 31 March 2020	193,090	200,457	337,398	730,945

10. Stocks and work in progress

	2021 £	2020 £
Publications & consumables	139,888	143,352
Total	139,888	143,352

11. Debtors

	2021 £	2020 £
Trade debtors	275,020	589,896
Other debtors	287,336	46,978
Prepayments and accrued income	84,846	429,401
Total	647,202	1,066,275

12. Creditors: amounts falling due within one year

Amounts falling due within one year:

	2021 £	2020 £
Trade creditors	452,032	592,370
Social security and other taxes	148,424	266,322
Accruals and deferred income	481,905	102,311
Loans	332,195	28,887
Other creditors	9,930	79,794
Total	1,424,486	1,069,684

Accruals and deferred income includes £390,710 (2020: 23,833) 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. Creditors: amounts falling due after one year

Amounts falling due after more than one year:

	2021 £	2020 £
Loans	47,093	345,048
Total	47,093	345,048

Two loans were taken out in 2019/20. The first was with Big Issue Invest, repayable over 36 months at an interest rate of 8%; the loan was unsecured. The second was with Social and Sustainable Capital, repayable over 19 months at an interest rate of 8%; the loan was secured by a floating debenture. During 2020/21 the Big Issue Invest loan was repaid and another loan was provided by them on the same terms as the first loan. The second loan with Social and Sustainable Capital is due to be repaid in full at the end of June 2021.

14. Operating leases

	2021 Land & buildings £	2021 Other £	2020 Land & buildings £	2020 Other £
Leases expiring:				
Within one year	258,875	312	421,783	36,917
Within 2-5 years	300,646	-	300,852	625
Over five years	74,654	-	-	-
Total commitment	634,175	312	722,635	37,542

15. Restricted funds

	Balance 01/04/20 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/21 £
Restricted assets	239,194	-	(21,490)	-	217,704
Restricted projects	-	203,388	(203,388)	-	-
Total	239,194	203,388	(224,878)	-	217,704

Comparative figures	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)	-	-
Total	261,794	1,285,257	(1,307,857)	-	239,194

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 charity for specific purposes. Any unspent at the yearend are carried forward.

15. Restricted funds (continued)

Restricted projects	Balance 01/04/20 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/21 £
Garfield Weston Foundation	-	25,000	(25,000)	-	-
Rank Foundation - Liverpool	-	10,900	(10,900)	-	-
Innovate UK	-	73,699	(73,699)	-	-
Big Issue Investment	-	16,000	(16,000)	-	-
Cornwall Council – Head start	-	13,333	(13,333)	-	-
Manchester Healthy Relationships	-	1,000	(1,000)	-	-
DHSC Grant Agreement	-	30,000	(30,000)	-	-
Francis Crick Institute	-	2,000	(2,000)	-	-
City of London	-	29,456	(29,456)	-	-
Public Health England – Welcome to Brook	-	1,000	(1,000)	-	-
Edward and Dorothy Cadbury Trust	-	1,000	(1,000)	-	-
Total	-	203,388	(203,388)	-	-

16. Unrestricted funds

	Balance 01/04/20 £	Income £	Expenditure £	Acquisition / transfers £	Balance 31/03/21 £
Unrestricted funds	549,811	9,727,223	(9,674,260)	-	602,774
Designated funds					
Fixed assets funds	491,751	-	(169,963)	409,250	731,038
Dilapidations funds	181,000	-	-	34,000	215,000
Total	1,222,562	9,727,223	(9,844,223)	443,250	1,548,812

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

17. Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	Long term creditors £	Total 2021 £
Restricted funds	217,704	-	-	217,704
General funds	-	544,944	57,830	602,774
Designated funds	731,038	215,000	-	946,038
Total	948,742	759,944	57,830	1,766,516

17. Analysis of net assets between funds (continued)

Comparative figures	Tangible fixed assets £	Net current assets £	Long term creditors £	Total 2020 £
Restricted funds	239,194	-	-	239,194
General funds	-	897,579	(357,768)	539,811
Designated funds	491,751	191,000	-	682,751
Total	730,945	1,088,579	(357,768)	1,461,756

18. 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 purpose 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 repayment of the grants received or a relevant proportion of the sales value if higher. 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.

19. Analysis of changes in net debt

	1 April 2020 £	Cash flows £	Other non-cash changes £	31 March 2021 £
Cash and cash equivalents				
Cash	948,636	564,364	-	1,513,000
	948,636	564,364	-	1,513,000
Borrowings				
Debt due within one year	(28,887)	28,888	(332,195)	(332,194)
Debt due after one year	(345,048)	(34,240)	332,195	(47,093)
	(373,935)	(5,352)	-	(379,287)
Total commitment	574,701	559,012	-	1,133,713

20. 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.

20. Pensions (continued)

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

20.1 Present values of provision

	31 March 2021 £	31 March 2020 £	31 March 2019 £
Present value of provision	10,737	12,720	15,431

20.2 Reconciliation of opening and closing provisions

	Period ending 31 March 2021 £	Period ending 31 March 2020 £
Provision at start of period	12,720	15,431
Unwinding of the discount factor (interest expense)	288	196
Deficit contribution paid	(2,638)	(2,562)
Remeasurements – impact of any change in assumptions	367	(345)
Provision at end of period	10,737	12,720

20. Pensions (continued)

20.3 Assumptions

	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

21. Comparative information

Statement of financial activities

(Incorporating the income and expenditure account)

For the year ended 31 March 2020

	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from			
Donations & legacies	11,960	38,342	50,302
Grants	5,000	1,246,915	1,251,915
Income from charitable activities			
Improving sexual health	8,545,157	-	8,545,157
Other income	16,600	-	16,600
Total income	8,578,717	1,285,257	9,863,974
Expenditure			
Costs of raising funds			
Fundraising	28,266	-	28,266
Cost of charitable activities			
Improving sexual health	8,457,226	1,307,857	9,765,083
Total expenditure	8,485,492	1,307,857	9,793,349
Net income / (expenditure) before transfer to Brook Jersey	93,225	(22,600)	70,625
Transfers to Brook Jersey	(129,392)	-	(129,392)
Net income / (expenditure)	(36,167)	(22,600)	(58,767)
Net movement in funds for the year	(36,167)	(22,600)	(58,767)
Balance brought forward at 1 April 2019	1,258,729	261,794	1,520,523
Balance carried forward at 31 March 2020	1,222,562	239,194	1,461,756