

# Brook Scotland

**Report of the trustees and financial statements for  
the year ended 31 March 2017**



COMPANY NUMBER: SC159534

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## Administrative details

Charity name	Brook Scotland
Trading name	Brook
Registration	Limited Company registered in Scotland no. SC159534. Registered with the Office of the Scottish Charity Regulator no. SC023964.
Registered office	77 Church Street, Inverness, IV1 1ES <i>(to 22 January 2017)</i> 272 Bath Street, Glasgow, C2 4JR <i>(from 23 January 2017)</i>
Trustees	Scott Bennett <i>(appointed 10 February 2017)</i> Alastair Bridges <i>(retired 26 May 2017)</i> Polly Goodwin <i>(retired 10 February 2017)</i> Eve Martin <i>(retired 10 February 2017)</i> Leon Ward <i>(appointed 10 February 2017)</i> Jo Youle <i>(appointed 10 February 2017)</i>
Company Secretary	Mike Fowler <i>(until 25 July 2016)</i> Jane Hughes <i>(from 30 September 2016)</i>
Service Manager	Sarah Fowler Becca Thompson <i>(maternity cover from 20 June 2016)</i>
Auditors	Saffery Champness LLP 71 Queen Victoria Street, London, EC4V 4BE
Bankers	Lloyds Bank 273-275 Kentish Town Road, London, NW5 2LP
Solicitors	Russell-Cooke 2 Putney Hill, London, SW15 6AB
Sole member and parent charity	Brook Young People Registered charity in England and Wales no. 703015 Limited company in England and Wales no. 2466940

## **Introduction**

The trustees present their annual report and financial statements of the charity for the year ended 31 March 2017.

The board of Brook Scotland, together with Brook Young People as member, took the difficult decision to cease Brook Scotland's activities on 31 March 2017. Further details are provided in this report. Though the charity will continue to exist as a subsidiary of Brook Young People, it will be managed to a dormant position by the end of the 2017/18 financial year.

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 & Trustee Investment Scotland Act 2005 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 published on 16 July 2014.

## **Structure, Governance and Management**

### **Company structure and ownership**

Brook Scotland is a wholly-owned subsidiary of Brook Young People (trading as Brook). Brook Young People has two other wholly-owned subsidiaries: Brook Jersey and Brook Northern Ireland.

Brook Scotland has one member – Brook Young People.

### **Governing document and constitution**

Brook Scotland is constituted as a limited company and a Scottish registered charity. Its governing document is its Articles of Association dated September 2013.

### **The board of trustees**

The trustees of Brook Scotland are appointed by Brook Young People in accordance with the Articles of Association. The board of trustees of Brook Scotland meets formally at least four times per year.

The trustees of Brook Scotland act in the best interests of Brook Scotland and have due regard to any conflicts of interest that may occur in their positions of trustees of the subsidiary and as trustees of Brook Young People.

### **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. All trustees are required to declare conflicts of interest and checks are obtained as appropriate. 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.

## Public benefit disclosure

Throughout our activities we promote the health and wellbeing of young people 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.

## Achievements and performance

### Significant charitable activities undertaken

During 2016/17 Brook Scotland provided an integrated sexual health service for young people aged under 25 living in Highland. Our Inverness clinic was person centred and needs led, providing clinical services including contraception, STI testing and treatment and pregnancy testing and referral, and also health promotion services, education programmes and training for professionals.

Through our activities we aimed to reduce unintended pregnancy and sexually transmitted infections and increase knowledge and awareness of safer sexual behaviour. We delivered targeted health promotion initiatives for vulnerable and disadvantaged priority groups, and our counselling services addressed physical, emotional and psychological issues. Throughout all our activities, safeguarding young people was our top priority; we seek to protect young people from harm in all we do.

### **Achievement against objectives**

- 1,749 visits to our Inverness clinic;
- *BiteSize Brook* education programmes delivered to 942 young people, 61 young people engaged in *All Different, All Beautiful* programmes and 12 young people supported through one-to-one *My Life* programmes;
- *All Different, All Beautiful* won the 'Reducing Vulnerability' category at the Highland Third Sector Interface awards.

### **Financial review**

#### **Financial position at year end**

Our accounts for 2016/17 are presented on pages 10 to 16. Our income for the year totalled £194,239, comprising £153,428 unrestricted income and £40,811 restricted income.

Our expenditure for the period totalled £217,431, comprising £168,452 unrestricted expenditure and £48,979 restricted expenditure. This resulted in a net movement of funds of (£23,192).

#### **Principal funding sources**

The majority of Brook Scotland's income for the year was received from a NHS Highland contract of £152,000.

#### **Significant events that have affected financial performance**

Brook Scotland carried a major risk of unfit premises and an inability to manage the cost of relocation due to the low level of surplus from its core contract, and low levels of reserves. The trustees took the very difficult decision during the year to close Brook Scotland's service.

We vacated our leased premises in January 2017 and delivered services from temporary premises provided by our commissioner during our contract notice period. This notice period allowed us to deliver our contracted and grant funded outputs, and to successfully TUPE all Brook Scotland staff to new providers. Clinical staff transferred to NHS Highland, and education staff transferred to Waverley Care, a local sexual health charity. Brook Scotland's service delivery ended in March 2017.

#### **Plans for future periods**

Brook Scotland does not plan to trade during 2017/18. Final closure costs will be incurred in 2017/18 and the charity will be declared dormant when there have been no significant transactions within the financial year. The Brook Scotland legal entity will remain as a dormant subsidiary of Brook Young People and may be used in future to tender for new services in Scotland.

## **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.*

As Brook Scotland is no longer trading this policy is no longer applicable. The Trustees believe that sufficient reserves are available to effect an orderly wind down of Brook Scotland and the parent charity continues to be fully supportive.

## **Going concern**

It is expected that Brook Scotland will become dormant before the end of the next financial year. As such the Trustees feel that it would be imprudent to draw up the accounts on a going concern basis.

## Trustee statement

The trustees (who are also directors of Brook Scotland 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 statement 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.

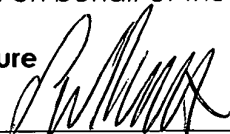
In so far as the trustees are aware:

- 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.

These financial statements have been prepared in accordance with the special provisions under Part 15 of the Companies Act 2006 applicable to smaller entities.

Signed on behalf of the trustees

Signature



Name SCOTT BENNETT

Date 6/9/17



## **Independent auditor's report**

We have audited the financial statements of Brook Scotland for the year ended 31 March 2017 set out on pages 10 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the charity's state of affairs as at 31 March 2017 and of its incoming resources and application of resources, including its 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Other matters prescribed by the Companies Act 2006**

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

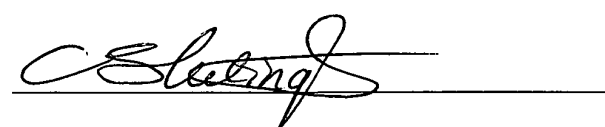
- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled take advantage of the small companies exemption in preparing the Trustees' Annual Report.

A handwritten signature in black ink, appearing to read 'C. Turlington', is written over a horizontal line.

Date 6 September 2017

**Cara Turlington (Senior Statutory Auditor)**, for and on behalf of

**Saffery Champness LLP**. Chartered Accountants, Statutory Auditors  
71 Queen Victoria Street, London, EC4V 4BE.

Saffery Champness is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Statement of financial activities**  
**(Incorporating the income and expenditure account)**  
**For the year ended 31 March 2017**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
<b>Income from</b>					
Voluntary income		1,267	-	1,267	39
Investment income		161	-	161	150
Income from charitable activities					
Improving young people's sexual health	2	152,000	40,811	192,811	196,563
<b>Total income</b>		<b>153,428</b>	<b>40,811</b>	<b>194,239</b>	<b>196,752</b>
<b>Expenditure</b>					
Cost of charitable activities					
Improving young people's sexual health	3&4	168,452	48,979	217,431	217,454
<b>Total expenditure</b>		<b>168,452</b>	<b>48,979</b>	<b>217,431</b>	<b>217,454</b>
<b>Net income / (expenditure)</b>		<b>(15,024)</b>	<b>(8,168)</b>	<b>(23,192)</b>	<b>(20,702)</b>
Total funds brought forward		18,528	8,168	26,696	47,398
<b>Total funds carried forward</b>	11	<b>3,504</b>	<b>-</b>	<b>3,504</b>	<b>26,696</b>

The statement of financial activities contains all recognised gains and losses in the year which all relate to activities within the year.

The notes on pages 12 to 16 form part of these financial statements.


## Balance sheet

### 31 March 2017

	Notes	£	2017 total funds £	2016 total funds £
<b>Fixed assets</b>				
Tangible assets			-	-
<b>Total fixed assets</b>			-	-
<b>Current assets</b>				
Tangible assets	8	-		4,000
Debtors: amounts falling due within one year	9	-		14,558
Cash at bank and in hand		50,410		25,587
<b>Total current assets</b>		<b>50,410</b>		<b>44,145</b>
Creditors: amounts falling due within one year	10	(46,906)		(17,449)
<b>Net current assets</b>			<b>3,504</b>	<b>26,696</b>
<b>Total assets less current liabilities</b>			<b>3,504</b>	<b>26,696</b>
<b>Net assets</b>			<b>3,504</b>	<b>26,696</b>
<b>Funds</b>				
General funds	11	3,504		13,528
Designated funds		-		5,000
Restricted funds		-		8,168
<b>Total funds</b>	12		<b>3,504</b>	<b>26,696</b>

The notes on pages 12 to 16 form part of these financial statements.

The financial statements were approved by the board of trustees on 6 September 2017 and were signed on its behalf by:

Signature  Name SCOTT BENNETT

Company number: SC159534 (Scotland)

## **Notes to the financial statements**

### **For the year ended 31 March 2017**

#### **1. Accounting policies**

##### **1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

In preparing the accounts the trustees have considered the ability of the charity to continue as a going concern for at least one year from the date the balance sheet is signed, and feel that this is not possible. As detailed in the Trustees' Report, the trustees took the decision during 2016/17 to close Brook Scotland's services, and activity ceased in March 2017.

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

The charity has taken the exemption provided in update Bulletin 1, allowing small charities not to prepare a cash flow statement.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value.

##### **1.2 Income**

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

##### **1.2.1 Government grants**

Income from government grants comprising £152,000 from NHS Highland have been received to enable Brook to meet its running costs while providing a service to the inhabitants of the Highlands.

##### **1.3 Resources expended**

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.

##### **1.3.1 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.

#### 1.4 Tangible fixed assets and depreciation

Items costing over £1,000 with on-going value in use to the company are treated as fixed assets. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvement to leasehold property	period of the lease
Office equipment	20% straight line

#### 1.5 Taxation

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

#### 1.6 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### 1.7 Pension costs and other post-retirement benefits

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

### 2. Income from charitable activities

Incoming resources from charitable activities are grants and contracts given by the NHS and other funders. Where they are to fund specific activities they are allocated to restricted funds. All income in the year was based on contracts to provide services.

#### 2.1 Related parties transactions

Recharged Brook Young People to Brook Scotland costs	£9,473
Central Services Charge from Brook Young People to Brook Scotland	£38,325
Brook Scotland recharge of costs to Brook Young People	£nil
<b>Total related parties transaction with Brook Young People</b>	<b>£47,798</b>

### 3. Charitable activities 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 2017 £	Total 2016 £
Staff costs	113,524	-	113,524	112,905
Clinical costs	18,335	-	18,335	17,903
Depreciation	4,000	-	4,000	22,332
Premises	35,311	-	35,311	29,912
Administration	-	40,571	40,571	32,161
Governance	-	5,690	5,690	2,241
<b>Total expended</b>	<b>171,170</b>	<b>46,261</b>	<b>217,431</b>	<b>217,454</b>

### 4. Governance costs

	Year 2017 £	Year 2016 £
Auditors' remuneration	3,300	(1,184)
Legal / Professional fees	2,390	3,425
<b>Total governance costs</b>	<b>5,690</b>	<b>2,241</b>

### 5. Net incoming / (outgoing) resources

Net resources are stated after charging / (crediting):

	Year 2017 £	Year 2016 £
Auditors' remuneration	3,300	(1,184)
Depreciation – owned assets	4,000	7,153

### 6. Trustees' remuneration and expenses

No member of the Board received any remuneration during the year. No expenses were reimbursed to any members of the Board during the year (2016: £nil).

No trustee or other person related to the charitable company had any personal interest in any contract or transaction entered into by the charitable company during the year (2016: £nil).

### 7. Analysis of staff costs and remuneration of key management personnel

The average monthly number of employees during the year was as follows

	2017 No.	2016 No.
Counselling and clinical services	11	11

The aggregate payroll costs of these persons were as follows:

	Year 2017 £	Year 2016 £
Wages and salaries	102,554	104,644
Social security costs	7,134	5,550
Other staff costs	3,856	2,711
<b>Total staff costs</b>	<b>113,524</b>	<b>112,905</b>

Brook considers its key management personnel comprise the trustees and the Service Manager. The total employment benefits including employer pension contributions of the key management personnel were £33,629 (2016: £30,071). No employees had employee benefits in excess of £60,000 (2016: None).

At 31 March 2017 all staff transferred to another provider.

## 8. Tangible assets

	Leasehold improvements £	Computers and office equipment £	Total fixed assets £
<b>Cost</b>			
As at 01 April 2016	41,105	36,805	77,910
Additions	-	-	-
Disposals	-	-	-
<b>As at 31 March 2017</b>	<b>41,105</b>	<b>36,805</b>	<b>77,910</b>
<b>Depreciation</b>			
As at 01 April 2016	41,105	32,805	77,910
Charge for the year	-	812	-
On disposals	-	3,188	-
<b>As at 31 March 2017</b>	<b>41,105</b>	<b>36,805</b>	<b>77,910</b>
<b>Net book value</b>			
<b>As at 31 March 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at 31 March 2016	-	-	-

## 9. Debtors

Amounts falling due within one year:

	2017 £	2016 £
Prepayments	-	10,344
Debtors	-	4,214
	<b>-</b>	<b>14,588</b>



## 10. Creditors

Amounts falling due within one year:

	2017 £	2016 £
Trade creditors	1,286	1,198
Intercompany creditors (Brook Young People)	35,000	-
Payroll related creditors	3,251	2,096
Deferred income	-	-
Accrued expenditure	7,369	14,155
<b>Total</b>	<b>46,906</b>	<b>17,499</b>

## 11. Net movement in funds

	Funds 1 April 2016 £	Incoming resources £	Outgoing resources £	Transfers £	Balance 31 Mar 2017 £
Unrestricted funds					
General funds	13,528	153,428	(163,452)	-	3,504
Designated funds					
Dilapidations fund	5,000	-	(5,000)	-	-
Restricted funds					
Restricted fund	8,168	40,811	(48,979)	-	-
<b>Total</b>	<b>26,696</b>	<b>194,239</b>	<b>(217,431)</b>	<b>-</b>	<b>3,504</b>

## 12. Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2017 total funds £	2016 total funds £
Fixed assets	-	-	-	-
Current assets	42,242	8,168	50,410	44,145
Current liabilities	(38,738)	(8,168)	(46,906)	(17,449)
<b>Total</b>	<b>3,504</b>	<b>-</b>	<b>3,504</b>	<b>26,696</b>

## 13. Company status

The company is a company limited by guarantee, not having a share capital. The liability of each member is limited to £5.