

# **The Brightside Trust**

## **Annual Report and Financial Statements**

31 March 2021

Charity Registration Number  
1159993

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## Reference and administrative information

<b>Trustees</b>	R Edmunds S Payne J Beard S Dauncey O Borm R Jones P Sidhu G Murgatroyd O Siddiq
<b>Address</b>	CAN Mezzanine 7-14 Great Dover Street London SE1 4YR
<b>Charity registration number</b>	1159993
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Solicitors</b>	Bates Wells & Braithwaite 10 Queen Street Place London EC4R 1BE
<b>Bankers</b>	Natwest Bank plc 180 London Road Hazel Grove Stockport SK7 4DH

The Trustees present their report together with the audited financial statements for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out on page 19 to 21.

The Financial Statements comply with the Charities Act 2011, The Trust Deed, 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 (FRS 102).

### **Structure, Governance and Management**

The Brightside Trust was incorporated as a Charitable Incorporated Organisation (CIO) on 19 January 2015 (registered charity number 1159993). The CIO became an active charity on 1 April 2015 when all the activities, assets and liabilities of the former charity the Brightside Trust (registered charity number 1080243) (the legacy charity) were transferred to the CIO. Brightside Social Enterprise Limited was incorporated on 11 September 2015 and operates as the charity's trading subsidiary.

The aim of the charity and the trading subsidiary is to provide the young people that need it most with knowledge, support and connections so that they can make confident and informed decisions enabling them to fulfil their potential.

The trustees are appointed by the Board and serve for a period of five years after which period they may put themselves forward for re-appointment. The trust deed provides for a minimum of three trustees. The aim of the board is to recruit trustees with skills and experience from a number of complementary areas including education, government and the corporate sector. It is the intention of the trustees to meet quarterly in order to discuss the board strategy and areas for activity including review of major projects, reserves and risk management. Day to day management of the Trust is delegated to a chief executive with supervision from the chairman and treasurer. The trustees who have served during the year are set out on page 1.

New trustees are given a detailed induction briefing by the organisation and are also required to attend half a day's training at Brightside where they are briefed by members from all levels of the organisation and are given a demonstration of the mentoring platform.

Pay and remuneration of the Chief Executive is set by the Chair of Trustees in consultation with the Board of Trustees. The pay and remuneration of the Senior Management Team is set by the Chief Executive in consultation with the Chair of Trustees.

### **Key management personnel**

The trustees consider that the board of trustees and two employees comprise the key management personnel, the Chief Executive and the Chief Operating Officer, who are in charge of directing and controlling, running and operating the group on a day to day basis.

The trustees give their time freely and no trustee received remuneration in the year.

The pay of the employees is reviewed annually by the trustees.

### **Risk management**

The trustees have examined the major strategic, operational and reputational risks which the charity faces and confirm processes have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. In addition, the senior management team review key risks on a monthly basis to ensure these are mitigated.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, such as Brexit, the attitude of investors to investment risk, and changes in sentiment incurring equities.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to the intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Charity does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield and total return and historic studies of quoted financial instruments have shown that volatility in any particular five year period will normally be corrected.

### **Trustees**

The trustees who served throughout the year and to the date of approval of these financial statements, were as follows:

J Berry – resigned 31 December 2020  
J Heron – resigned 31 December 2020  
J Selby – term of office ended 31 January 2021  
R Anderson - term of office ended 31 January 2021  
R Edmunds  
S Payne  
L Byrne – resigned 31 January 2021  
J Beard  
S Dauncey – appointed 1 March 2021  
O Borm – appointed 1 March 2021  
R Jones – appointed 1 March 2021  
P Sidhu – appointed 1 March 2021  
G Murgatroyd – appointed 1 March 2021  
O Siddiqi – appointed 1 March 2021

**Trustees' responsibilities statement**

The trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 and regulations made thereunder requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 set out in the 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, and regulations made thereunder and the provisions for the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far at the trustees are aware:

- there is no relevant audit information of which the charity's auditors are 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 auditors are aware of that information.

## Objectives, activities, performance and future plans

### Overview

The many adjectives used to describe the experience of working through the COVID-19 global pandemic ring true for Brightside. The pandemic has indeed been unprecedented, disruptive, and challenging. During 2020/21 Brightside has undergone significant changes both planned, in the change of leadership, and unplanned in moving to a fully remote team and seen a significant increase in demand for our digital services. Ultimately, despite, and in some cases, because of, challenge, we view 2020/21 as a successful year where we have begun to realise our potential and look to an ambitious future.

### 2020/21 Reach



Our team and our technology have proven to be flexible, creative and able to meet young people wherever they are in their decision-making journey, to affect positive and, as our longitudinal tracking once again shows, long lasting change. The effect of the pandemic has and will continue to hit those from lower socio-economic backgrounds the hardest, and only as we move into 'recovery' will we truly understand to what scale. What we do know is that digital outreach will remain crucial and Brightside is prepared to provide proven, high quality, high impact online mentoring for those who need it most.

### March 2023 Vision

In June 2020, CEO Anand Shukla left the organisation after five years and longstanding members of the Senior Leadership Team, Laura Gray and Rachel Pigott stepped up into the roles of CEO & COO respectively. Recognising the need to provide focus and grounding for the team during a time of heightened disruption they set a new, focused vision for March 2023.

With the two overarching and interlinked priorities of becoming a sustainable and impact led organisation, we are currently working towards the below ambitious vision. In essence we are looking to broaden our offer to young people by developing programmes which are able to support any route to success.

In order to support this vision two new roles were introduced into the Senior Leadership Team, Head of Business Development and Head of Impact. Both roles have reaped rewards during 2020/21 with the Head of Business Development building a focused income generation plan to support our 'programmes for all' target and the Head of Impact introducing new processes to embed learning into the Programmes Team working practices as well as completing our most comprehensive Impact Report to date.



### Financial Overview

Following a challenging 19/20 and with the scale and effects of the global pandemic being realised as we moved into 20/21, the Senior Leadership Team (with full support from the board) responded quickly and carried out detailed scenario planning. As part of our mitigation approach we undertook a cost saving exercise as early as possible, furloughing seven members of the staff team during May and June and giving notice on our office.

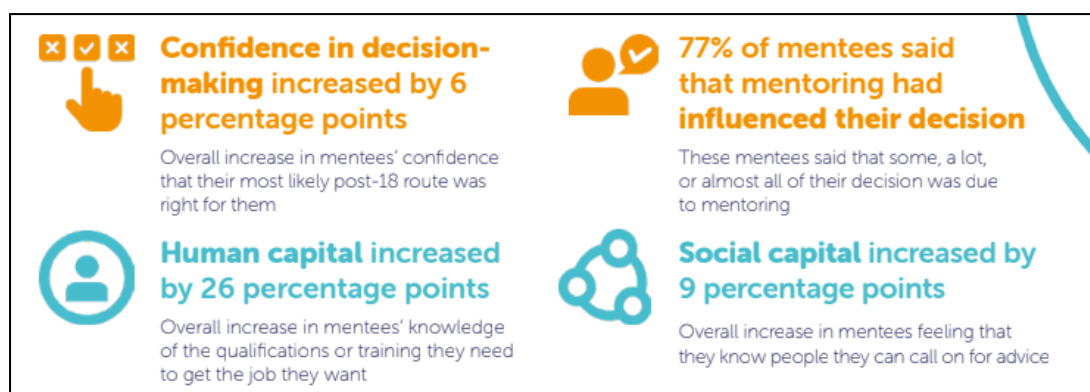
Thanks to this careful cost management, a focused income generation plan and an increase in demand for our digital services we secured numerous new partnerships during 20/21 which resulted in a 39% increase in income and a trading surplus, before external grants given.

### 2020/21: The Power of Online Mentoring

Brightside's mission to help young people make confident and informed decisions about their future is complex in that at its heart is the requirement to impart knowledge, build social capital and develop behavioural skills around coping, hope, growth mindset & self-efficacy. We have a robust approach to measuring the effects of our work on young people and an impact strategy which prioritises consistent impact measurement, growing and deepening our impact and sharing our learning.

In 20/21 we matched 9,400 young people, 61% of whom came from regions with the lowest socio-economic regions in the UK. Over 570,000 messages were exchanged between mentees & mentors across our safe, secure mentoring platform and our latest impact analysis reports increases in confident & informed decisions making, human and social capital and that 77% of mentees who complete our exit survey stated that Brightside mentoring influenced their confidence in their decision.





As part of our impact measurement we are committed to analysing the long-term outcomes of those who have received online mentoring. Our long-term tracking is completed via our membership to the Higher Education Access Tracker (HEAT) and once again analysis shows that students from the lowest participation groups (POLAR4 Q1&2) who receive Brightside mentoring are three times more likely to be in higher education than those who don't.<sup>1</sup>

### Response to COVID-19

The closure of schools, universities and the workplace resulted in the cancellation of the structures, support networks and defining experiences which help young people to realise their aspirations. The face to face activities such as work experience, summer schools and encounters with role models could not take place and Brightside reacted quickly to support both new and long-standing partners to translate their face to face interventions onto the online context.

"As we had previously worked with Brightside Mentoring, the sudden shift to full online provision meant that we knew that we could rely on a safe and versatile platform to continue with our school engagement. The Mentor Matching Tool enabled us to embed another layer of student agency within our work, whilst the Communities function has widened our coverage to include speakers who have shared their own professional experiences. We continue to enjoy working with Brightside and piloting the new features so that they further enrich our opportunities for students and, increasingly, their supporters."

**Rob Thatcher, Senior Widening Participation & Outreach Officer**

### 1. National Programmes

In May 2020, Year 13 learners and offer-holders faced cancelled exams, school and college closures, and unprecedented disruption to their education. In response, we designed and launched our first national online mentoring programme: Prepare for HE. This brought nine universities and consortia of universities together in partnership and successfully supported 500 students as they transitioned into university. Following the success of this programme we have launched three more national programmes; Bright Carers, which targets young people with caring responsibilities;

<sup>1</sup> From an analysis of the education trajectory of 7,900 students who were registered on a Brightside programme between 2010/11 and 2016/17, who were 'HE-ready' (at least 18 years of age) between 2015/16 and 2018/19. The analysis looked at two groups, 5,200 students that registered on the Brightside platform and engaged with online mentoring, and a quasi-control group of 2,700 students that registered on the Brightside platform but did not send more than two messages to their mentor.

Brightside Mentoring, which supports year 9 – 13 students and a second year of Prepare for HE.

## **2. Digital Outreach Series**

Brightside recognised that with nearly 20 years' experience of delivering digital outreach we were in a unique position to support peers across the sector as they began to translate activities online. Across April and May we ran a series of seven Digital Outreach webinars for the Widening Participation Sector covering subjects such as 'designing online projects', 'online safeguarding' and 'moving summer schools online'. The webinars were hugely popular with 700 attendees.

## **Brightside Schools Network**

Following the initial pilot of the Brightside Schools Network in South Yorkshire and the South West we were due to expand project delivery into twelve schools during the 2020/21 academic year. The disruption caused by COVID-19 led to the majority of schools being unable to facilitate our offer, as they concentrated on the challenge of remote schooling. We were still able to support three schools and 223 young people through our Ask the Expert intervention, providing access to role models and sector experts.

In early 2021 we successfully applied to a grant giving foundation to support the growth of the Schools Networks over the next four years. The investment from the grant foundation has been matched through our own reserves and we are excited to be able to use this funding to support 72 schools and reach over 40,000 young people over the next four years, with the long term aim of building a fully sustainable network which embeds Brightside into the community and meets the needs of schools directly.

"From a teacher's perspective the opportunity for my students to have their writing and film or podcast productions valued and taken seriously by adults outside the circle of education or family has been one of the elements which I have appreciated the most. I have seen our students flourish and develop through being involved with the mentoring scheme and would say that in my 34-year career as an English teacher it has been one of the most transformational enrichment activities I have been involved with."

**Sian Gaston, Lecturer in English at Truro College**

## **Governance**

Alongside the change in leadership in the executive team, 2020/21 also saw changes at a board level. In December 2020 John Berry and James Heron stood down as Chair and Treasurer. Stuart Payne and Rose Edmunds, who have been on the Brightside board for many years, took on the Chair and Treasurer roles respectively. John Selby, Rolande Anderson and Louise Byrne also stepped down at the end of their terms of office. Following an exercise to identify what skills and experience were needed, the vacant trustee positions were advertised. From more than fifty applications, fifteen candidates were shortlisted and interviewed by a panel. At the end of this process, six new trustees were appointed in March 2021.

## **Donation**

Brightside has held £2M - £3M in Designated Strategic Reserves for a number of years. These were held for future initiatives not related to current operational activities; in particular making grants to other organisations in line with the Brightside mission. This year, after a review on how to maximise the impact of these funds, the board concluded that the grant-making activity should be conducted by a third party, so as not to distract Brightside from its principal activities. The board therefore agreed that they would support the creation of a new charity for this purpose, to be overseen by the outgoing Chair and Treasurer, John Berry and James Heron.

Following their departure from Brightside, John and James, together with a third trustee, Simon Farr, established a new UK charity, The Upside Trust (charity number 1192938), whose objects are “the advancement of education and the provision of relief to those in need by reason of youth, financial hardship or other disadvantage...and relieving unemployment”. Upside will provide grants to other organisations in line with the Brightside mission, with a particular focus on grants to support overseas initiatives.

At the same time, The Brightside board reviewed the reserves position and concluded that a total of £2,268K was surplus to requirements for mentoring operations. Accordingly, in March 2021, the trustees approved a donation of this sum to the Upside Trust.

The donation was given in the form of units from the unit trust and is governed through a Deed of Grant signed by both Brightside and The Upside Trust. Under the terms of this deed, Upside is obliged to report annually to the Brightside trustees on their activities and impact until such time as the donation is spent.

### **2021/22 Overview**

The momentum built in 20/21 has continued into 2021/22 and we continue to focus our attention on growing partnerships which enable us to fulfil our 2023 Vision of reaching 15,000 young people through mentoring, supporting 33 schools and providing programmes and technology which support all pathways to success. In order to achieve these ambitions and to grow our Schools Network in line with our four year plan we are building capacity within the programmes team as well as the marketing function and expect to grow to a team of 22. We will continue to invest in our technology and have identified initiatives to further improve the conversion of young people from interested to fully engaged mentees.

Our new board structures will introduce six Sub-Committees to allow for focused time and expertise on specific works streams and additional governance around the Schools Network, Finance & Risk and the employee experience.

### **Financial review**

The group received income of £1,013k (2020: £728,296) during the year from a number of sources including universities, other third sector organisations and corporates. This represents 39% growth year on year. Income for the year to 31 March 2022 is forecast to be in the region of £1,020k representing year on year growth of 1%. The organisation is still ambitious, but does not expect to replicate the same level of growth in the year to 31 March 2021.

The trading subsidiary made a year loss of £1,438 (2020: £370,445) for the year, a significant turnaround from the previous year due to both an increase in income and a decrease in expenditure. The trustees of the parent company have provided assurance to the directors of the trading subsidiary that they commit to supporting Brightside Social Enterprise Limited in its trading activity for at least 12 months from the signing of these accounts. Trustees consider this an appropriate use of charity funds, based on the condition that all trading continues to be in line with the charitable purposes of the Brightside Trust, it does not pose any significant risk to the charity and the use of these funds are considered value for money. Trustees have confirmed they are not seeking a financial return on this support and that value is delivered in terms of a social return.

Expenditure, including direct project expenditure and running costs, totalled £3,216k (2020: £1,158k) of which £2,268k was a grant given to Upside Trust.

### **Investment policy**

Our investment objective is to preserve the value of capital in real terms, in order to provide funds for future activities. Our investment is managed by Rothschild Private Fund Management, and comprises a holding of Accumulation Units in the Glenhuntley Portfolio Trust. We have confidence in our Investment Manager's abilities to look after our funds wisely in ever changing financial markets, and are satisfied with their current performance which we review quarterly.

### **Reserves**

It is the policy of the charity to maintain unrestricted reserves at a level which equates to a minimum of nine months unrestricted expenditure. The trustees consider that this level will ensure the short-term financial sustainability of the organisation and that existing obligations to beneficiaries can be met, irrespective of changes to income. In addition, this includes sufficient cash to fund any short-term working capital requirements.

The charity has two Restricted reserves, one for the funding from the Fidelity UK Foundation and a new one this year for the grant funding for the Schools Network from AKO Foundation. The charity also holds designated reserves created by funds received from the sale of investments in prior years. The designations include:

- £217k (2020: £398k) in Designated Operational Reserves for immediate operational priorities relating to the existing Brightside activities. This includes investment in technology and impact measurement, seed funding for the Schools Network launched during FY19/20 and match funding of £115k for the grant received for the Schools Network. Trustees will approve spending from this fund based on each business case presented, articulating the future benefits to the organisation.
- £0k (2020: £2.5m) in Designated Strategic Reserves. This was held for future strategic initiatives not related to the current operational activities of Brightside and £2,268k has been donated from this fund to Upside Trust during the year. The balance has been transferred to the Unrestricted fund.
- Trustees plan to review the designated funds during the year to 31 March 2022.

This leaves net unrestricted funds of £1,623k (2020: £460k) which is almost 21 months operational expenditure of the group (excluding the one-off grant to Upside).

### **Fundraising**

The group does not actively solicit donations from the public and is therefore not registered with the Fundraising Regulator and does not subscribe to any fund-raising codes of practice.

Should donations from individuals be received, the group would aim to protect personal data and would never sell data or swap data with other organisations and undertake to react to and investigate any complaints regarding fundraising activities and to learn from them and improve the service.

### **Volunteers**

The Trust relies heavily on the willingness of volunteers to provide our online mentoring. The Trust recruits, inducts, trains and supports volunteers to mentor young people on the online platform.

We would like to take this opportunity to thank all of our volunteers who are critical to our success and the impact we have on the young people we work with.

**Employees**

The Brightside Trust is an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity and, where appropriate and possible, special training to enable them to progress both within and outside the organisation. The Trust is committed to a programme of action to make this policy effective.

**Public benefit**

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning the future activities of the Trust. These are shown above in the section 'Objectives and activities'.

**Approval**

Approved by the trustees and signed on their behalf by:

A handwritten signature in dark ink, appearing to read 'R m ed l s', likely representing R. Edmunds.

R Edmunds  
Trustee

Date: 19.11.2021

**Independent auditor's report to the trustees of The Brightside Trust**

**Opinion**

We have audited the financial statements of The Brightside Trust ('the parent charity') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group and of the parent charity's affairs as at 31 March 2021 and of the group 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 Charities Act 2011.

**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 accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts 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 annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**Other information** (continued)

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.

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

In the light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept by the parent charity; or
- ◆ the parent charity 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.

**Responsibilities of the trustees**

As explained more fully in the Trustees' Responsibilities Statement, the trustees 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 charity'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 charity 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.

**Auditor's responsibilities for the audit of the financial statements (continued)**

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are the Charities SORP FRS 102, the Charities Act 2011, employment legislation and Health & Safety regulations.
- We understood how the charity is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of minutes from trustee meetings and papers provided to the trustees.
- We assessed the susceptibility of the charity's financial statements to material misstatements, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design and implementation of controls in place to prevent and detect fraud;
  - Challenging assumptions and judgments made by management and the trustees in its significant accounting estimates;
  - Identifying and testing journal entries, in particular adjustments made at the year-end for financial statement preparation; and
  - Assessing the extent of compliance with relevant laws and regulations by reviewing correspondence with regulators and legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

## **Independent auditor's report 31 March 2021**

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in dark ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

15.12.2021

Hugh Swainson

For and behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

# Consolidated Statement of financial activities Year to 31 March 2021

	Notes	Year ended 31 March 2021 Unrestricted funds £	Year ended 31 March 2021 Restricted funds £	Year ended 31 March 2021 Total funds £	Year ended 31 March 2020 Total funds £
<b>Income from:</b>					
Grants and donations	2	62	115,000	<b>115,062</b>	96,722
Charitable activities	2	898,408	—	<b>898,408</b>	631,574
<b>Total income</b>		<b>898,470</b>	<b>115,000</b>	<b>1,013,470</b>	<b>728,296</b>
<b>Expenditure on:</b>					
Charitable activities:	3				
. Direct projects and administrative support		(923,107)	(24,413)	<b>(947,520)</b>	(1,157,769)
. Grants payable		(2,268,001)	—	<b>(2,268,001)</b>	—
<b>Total expenditure</b>		<b>(3,191,108)</b>	<b>(24,413)</b>	<b>(3,215,521)</b>	<b>(1,157,769)</b>
<b>Net (expenditure) income before gains (losses) on investments</b>		<b>(2,292,638)</b>	<b>90,587</b>	<b>(2,202,051)</b>	<b>(429,473)</b>
Gains/(losses) on investments	4	888,837	—	<b>888,837</b>	(77,627)
<b>Net (deficit) surplus for the year and net movement in funds</b>		<b>(1,403,801)</b>	<b>90,587</b>	<b>(1,313,214)</b>	<b>(507,100)</b>
Total funds brought forward		3,358,800	31,765	<b>3,390,565</b>	3,897,665
<b>Total funds carried forward</b>	12	<b>1,954,999</b>	<b>122,352</b>	<b>2,077,351</b>	<b>3,390,565</b>

The results relate wholly to continuing activities.

# Parent charity and consolidated balance sheet 31 March 2021

	Notes	Consolidated 2021 £	Charity 2021 £	Consolidated 2020 £	Charity 2020 £
<b>Fixed assets</b>					
Investments	4	1,484,698	1,484,698	3,063,862	3,063,862
Intangible assets	6	145,688	—	183,728	—
Tangible fixed assets	7	5,517	—	4,167	126
		<b>1,635,903</b>	<b>1,484,698</b>	<b>3,251,757</b>	<b>3,063,988</b>
<b>Current assets</b>					
Cash at bank and in hand		771,751	352,951	306,101	173,734
Debtors	8	222,111	252,709	100,333	159,808
		<b>993,862</b>	<b>605,660</b>	<b>406,434</b>	<b>333,542</b>
<b>Creditors:</b> amounts falling due within one year	9	<b>(552,414)</b>	<b>(13,007)</b>	<b>(267,626)</b>	<b>(6,965)</b>
<b>Net current assets</b>		<b>441,448</b>	<b>592,653</b>	<b>138,808</b>	<b>326,577</b>
<b>Net assets</b>		<b>2,077,351</b>	<b>2,077,351</b>	<b>3,390,565</b>	<b>3,390,565</b>
<b>Charity funds</b>					
Unrestricted funds		1,840,000	1,847,351	3,358,800	3,390,565
Restricted funds		237,351	230,000	31,765	—
<b>Total funds</b>	12	<b>2,077,351</b>	<b>2,077,351</b>	<b>3,390,565</b>	<b>3,390,565</b>

The financial statements were approved by the Board of Trustees and authorised for issue and signed on their behalf by:

*R m ed l s*

R Edmunds  
Trustee

Date: 19/11/2021

## Consolidated statement of cash flows 31 March 2021

	2021 £	2020 £
<b>Net cash used in operating activities</b>		
Net deficit for the year	(1,313,214)	(507,100)
(Gain)/loss on changes in fair value of investments	(346,191)	88,842
Profit realised on sale of investments	(542,646)	(11,215)
(Increase)/decrease in debtors	(121,778)	139,372
Increase/(decrease) in creditors	284,788	(17,172)
Depreciation	4,226	4,658
Amortisation	104,540	129,481
	<b>(1,930,275)</b>	<b>(173,134)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of investments	2,468,001	200,000
Purchase of tangible fixed assets	(5,576)	(1,109)
Purchase of intangible fixed assets	(66,500)	(110,421)
<b>Net cash provided by investing activities</b>	<b>2,395,925</b>	<b>88,470</b>
<b>Change in cash and cash equivalents</b>	<b>465,650</b>	<b>(84,664)</b>
Cash and cash equivalents brought forward	306,101	390,765
<b>Cash and cash equivalents carried forward</b>	<b>771,751</b>	<b>306,101</b>

There is no difference between the change in cash and cash equivalents and the change in net debt. The group has no borrowings, finance lease obligations or foreign exchange rate movements.

<b>Analysis of cash and cash equivalents</b>		
	2021 £	2020 £
Cash at bank and in hand	771,751	306,101
<b>Total cash and cash equivalents</b>	<b>771,751</b>	<b>306,101</b>

**Legal information**

The Brightside Trust is a Charitable Incorporated Organisation (Charity no. 1159993) and owns 100% of the issued share capital of Brightside Social Enterprise Limited, a limited company (Company no. 09774291). Both organisations' registered office is CAN Mezzanine, 7-14 Great Dover Street, London, SE1 4YR.

The group delivers public benefit by providing support to young people as set out in the report of the trustees.

**Basis of preparation**

The financial statements have been prepared in accordance with 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 (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The financial statements have been prepared under the historical cost convention except for modification as specified in the accounting policies below.

The Brightside Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The group financial statements consolidate those of the parent charity and its subsidiary undertaking drawn up to 31 March 2021 on a line by line basis, eliminating inter-group transactions. These financial statements represent twelve months activities of the Brightside Trust and the Brightside Social Enterprise Limited.

The net expenditure for The Brightside Trust, the CIO, was £1,313,214 for the year (2020: net expenditure of £507,100).

The financial statements are presented in sterling (£).

**Going concern**

Forecasts have been prepared which disclose that the group has significant headroom to operate with existing funds for the next 12 months. The impact of coronavirus has been taken into account when reviewing future plans and forecasts. In view of this the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. For this reason they continue to adopt the going concern basis in the financial statements.

**Income**

Income is recognised once the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. Where income is received before any work in undertaken amounts are included within deferred grants, income is then released in line with the delivery of the contracts.

### **Donations**

Donations comprises all income from grants and donations. In accordance with the Charities SORP (FRS 102), volunteer time, is not recognised the financial statements. Donations under Gift Aid together with the associated income tax recoveries are credited as income in the year in which they are received.

### **Charitable income**

Charitable income represents amounts receivable by the charitable company for providing online mentoring services which are aligned with the charity's objectives.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

### **Allocation of overhead and support costs**

All overhead and support costs have been allocated to charitable activities.

### **Fixed asset investment**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value, using closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are included in the Statement of Financial Activities.

Income from investments is included, together with the related tax credit, in the year in which it is receivable.

Interest on funds held on deposit is recognised when receivable, and the amount can be recognised reliably by the charity; this is normally upon notification of the interest paid of payable by the bank.

### **Investment in subsidiaries**

Investments in subsidiaries are accounted for at cost less impairment.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is charged on leasehold improvements, fixtures and fittings and computers which are written off on a straight line basis over their estimated useful life of three years.

#### **Intangible fixed assets**

Intangible fixed assets are stated at historic cost less accumulated amortisation. Amortisation is charged on a straight-line basis for software over an estimate useful life of four years.

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due after trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **Financial instruments**

The trust 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.

#### **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Restricted funds comprise monies received for, or their use restricted to, a specific purpose or contributions subject to donor imposed conditions

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

#### **Significant adjustments and key areas of estimation uncertainty**

The preparation of financial statements requires the use of certain critical accounting estimates and judgements. It also requires the trustees to exercise judgement in the process of applying accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including an expectation of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the trustees' best knowledge of the amount, event or actions, actual results may differ from those estimates.

Areas requiring the use of estimates and critical judgements that may impact on the charity's financial activities and financial position include estimates of useful economic lives of intangible fixed assets, specifically the online mentoring platform developed by the group.

## 1. Financial results and performance of subsidiary

The Charity has one wholly owned subsidiary, Brightside Social Enterprise Limited, whose principal activity is to provide online mentoring projects to organisations that directly run mentoring projects to young people. The results of Brightside Social Enterprise Limited are consolidated into the group financial statements and a summary of the subsidiary's results for the financial year ended 31 March 2021 is set out below:

	2021 £	2020 £
Income from mentoring projects	931,148	764,460
Charitable expenditure	(912,532)	(1,127,821)
Finance charges payable to the parent undertaking	(20,054)	(7,084)
<b>Loss for the year</b>	<b>(1,438)</b>	<b>(370,445)</b>

The net assets and liabilities of Brightside Social Enterprise Limited were:

	2021 £	2020 £
Fixed assets	151,205	187,769
Current assets	640,874	223,083
Creditors: amounts falling due to within one year	(969,644)	(586,979)
<b>Net current liabilities</b>	<b>(328,770)</b>	<b>(363,896)</b>
<b>Net liabilities</b>	<b>(177,565)</b>	<b>(176,127)</b>
<b>Aggregate share capital and reserves</b>	<b>(177,565)</b>	<b>(176,127)</b>

## 2. Income

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
<b>Charitable activities</b>				
Online Mentoring activity	898,408	—	898,408	631,574
<b>Grants and donations</b>				
Grants	—	115,000	115,000	96,674
Donations	62	—	62	48
	62	115,000	115,062	96,722
<b>Total income for the year</b>	<b>898,470</b>	<b>115,000</b>	<b>1,013,470</b>	<b>728,296</b>

Included within "Online mentoring activities" is £19,339 of covid support funding relating to staff furloughed in the year.

**3. Expenditure on charitable activities**

	2021 £	2020 £
Direct project expenses	116,397	139,804
Payroll expenses – direct project work	385,667	448,327
Payroll expenses – administrative	207,667	241,358
Travel & accommodation	24	5,474
Overhead and support costs – charitable activities	176,043	219,179
Office Costs	23,290	70,089
IT/ Phone/ Internet Costs	13,452	17,538
Auditors remuneration (governance costs):		
. Audit services	12,640	11,700
. Tax compliance services	1,600	2,000
. Other services	10,740	2,300
<b>Expenditure before grants payable</b>	<b>947,520</b>	<b>1,157,769</b>
Grant payable to the Upside Trust	2,268,001	—
<b>Total expenditure</b>	<b>3,215,521</b>	<b>1,157,769</b>

Included within “Direct project expenses” is £24,413 relating to the Fidelity restricted funds (2020 - £40,696).

Payroll costs have been allocated between direct project work and administrative support in the ratio 65:35 respectively. This is based on an analysis of the payroll for the financial year and the allocation of each role between project work and administrative work. It is in line with the apportionments from prior year.

**4. Investments**

<b>Group</b>	<b>Fixed asset investments 2021 £</b>
Opening market value	3,063,862
Disposal of investments at opening market value	(1,925,355)
Gain in the market value of investments	346,191
<b>At 31 March 2021– at market value</b>	<b>1,484,698</b>
Realised gain on disposal of investment assets	542,646
Unrealised gain on changes in the market value of investments	346,191
	888,837
<b>Analysis of investments</b>	
Unit trust	1,484,698

**4. Investments** (continued)

	<i>Fixed asset investments 2020 £</i>
<i>Group</i>	
Opening market value	3,341,489
Disposal of investments at opening market value	(188,785)
Loss in the market value of investments	(88,842)
At 31 March 2020– at market value	<u>3,063,862</u>
Realised gain on disposal of investment assets	11,215
Unrealised loss on changes in the market value of investments	(88,842)
	<u>(77,627)</u>
Analysis of investments	
Unit trust	<u>3,063,862</u>

Investments are stated at market value. The Unit Trust is managed by Rothschild and contains a mixture of investments including equities, gifts and cash. All investments are traded in quoted public markets.

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performances sections of the Trustees' Annual Report.

**Charity**

The charity owns 500,001 £1 shares, being 100% of the issued share capital, in Brightside Social Enterprises Limited which was incorporated on 11 September 2015.

Movements in the charity's fixed asset investment in the year were as follows:

	Investments in subsidiary companies £	Fixed asset investments £	Total £
<b>Cost and net book value</b>			
At 1 April 2020	—	3,063,862	<b>3,063,862</b>
Impairment provision	—	—	—
Disposal of investments	—	(1,925,355)	(1,925,355)
Gain on movements in fair value	—	346,191	346,191
<b>At 31 March 2021</b>	<u>—</u>	<u>1,484,698</u>	<u><b>1,484,698</b></u>
At 31 March 2020	<u>—</u>	<u>3,063,862</u>	<u><b>3,063,862</b></u>

Impairment provisions have been made against the full investment in the subsidiary company, due to its net liability position at 31 March 2021.

## 5. Tax

### *Parent charity*

As a Charitable Incorporated Organisation, the parent charity is exempt from Corporation Tax.

### *Subsidiary*

The company does not have a tax liability as no profit was made in the year. The directors intend to transfer any profits made to the charitable holding company, the Brightside Trust, subject to adequate reserves being available.

## 6. Intangible fixed assets

<i>Group</i>	Software £
<b>Cost</b>	
At 1 April 2020	554,385
Additions	66,500
At 31 March 2021	<u>620,885</u>
<b>Amortisation</b>	
At 1 April 2020	370,657
Provided in the year	104,540
At 31 March 2021	<u>475,197</u>
<b>Net book value</b>	
At 31 March 2021	<u>145,688</u>
<b>Net book value</b>	
At 31 March 2020	<u>183,728</u>

Brightside Social Enterprise Limited used an external development agency to build a new online mentoring platform in 2015, to support the activities of the parent charity and the subsidiary company. This went live in September 2016 and the group has continued to invest in the development of this online platform since this date.

The Parent Charity does not hold any intangible fixed assets.

## 7. Tangible fixed assets

*Group*

	Computers £	Fixtures and fittings £	Leasehold Improve- ments £	Total £
<b>Cost</b>				
At 1 April 2020	146,123	3,474	7,888	<b>157,485</b>
Additions	5,576	—	—	<b>5,576</b>
Disposals	(138,684)	(3,474)	(7,888)	<b>(150,046)</b>
At 31 March 2021	<u>13,015</u>	<u>—</u>	<u>—</u>	<u><b>13,015</b></u>
<b>Depreciation</b>				
At 1 April 2020	141,956	3,474	7,888	<b>153,318</b>
Charge for the year	4,226	—	—	<b>4,226</b>
Depreciation eliminated on disposals	(138,684)	—	—	<b>(150,046)</b>
At 31 March 2021	<u>7,498</u>	<u>—</u>	<u>—</u>	<u><b>7,498</b></u>
<b>Net book value</b>				
At 31 March 2021	<u>5,517</u>	<u>—</u>	<u>—</u>	<u><b>5,517</b></u>
<b>Net book value</b>				
At 31 March 2020	<u>4,167</u>	<u>—</u>	<u>—</u>	<u><b>4,167</b></u>
<b><i>Parent charity</i></b>				
	Computers £	Fixtures and fittings £	Leasehold Improve- ments £	Total £
<b>Cost</b>				
At 1 April 2020	134,177	3,474	7,888	<b>145,539</b>
Disposals	(131,382)	(3,474)	(7,888)	<b>(142,744)</b>
At 31 March 2021	<u>2,795</u>	<u>—</u>	<u>—</u>	<u><b>2,795</b></u>
<b>Depreciation</b>				
At 1 April 2020	134,051	3,474	7,888	<b>145,413</b>
Charge for the year	126	—	—	<b>126</b>
Depreciation eliminated on disposals	(131,382)	(3,474)	(7,888)	<b>(142,744)</b>
At 31 March 2021	<u>2,795</u>	<u>—</u>	<u>—</u>	<u><b>2,795</b></u>
<b>Net book value</b>				
At 31 March 2021	<u>—</u>	<u>—</u>	<u>—</u>	<u><b>—</b></u>
<b>Net book value</b>				
At 31 March 2020	<u>126</u>	<u>—</u>	<u>—</u>	<u><b>126</b></u>

All tangible fixed assets held by the Parent Charity are used for charitable purposes.

**8. Debtors**

<b>Group</b>	<b>2021 £</b>	<b>2020 £</b>
Trade debtors	<b>195,786</b>	60,365
Prepayments	<b>6,943</b>	31,979
Other debtors	<b>—</b>	446
Accrued income	<b>19,382</b>	7,543
	<b>222,111</b>	100,333

<b>Parent Charity</b>	<b>2021 £</b>	<b>2020 £</b>
Prepayments	<b>37</b>	9,618
Intercompany trading balance	<b>252,672</b>	150,190
	<b>252,709</b>	159,808

The intercompany trading balance is due from Brightside Social Enterprise Limited the subsidiary undertaking of the charity.

**9. Creditors: amounts falling due within one year**

<b>Group</b>	<b>2021 £</b>	<b>2020 £</b>
Trade creditors	<b>13,594</b>	35,414
Other taxes and social security	<b>113,676</b>	28,315
Accruals	<b>39,363</b>	41,501
Other creditors	<b>8,911</b>	5,587
Deferred income	<b>376,870</b>	156,809
	<b>552,414</b>	267,626

<b>Parent Charity</b>	<b>2021 £</b>	<b>2020 £</b>
Trade creditors	<b>45</b>	204
Accruals	<b>12,962</b>	6,761
	<b>13,007</b>	6,965

Deferred income relates to project income received in advance of the delivery of services.

**10. Financial instruments**

<b>Group</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>986,919</b>	374,455
Financial assets measured at fair value through profit or loss	<b>1,484,698</b>	3,063,862
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(61,868)</b>	(82,502)

Financial assets measured at amortised cost comprise cash, trade debtors and accrued income.

Financial assets measured at fair value comprise fixed asset investments with a quoted market price.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

<b>Parent Charity</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>605,623</b>	323,924
Financial assets measured at fair value through profit or loss	<b>1,484,698</b>	3,063,862
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(13,007)</b>	(6,965)

Financial assets measured at amortised cost comprise cash, other debtors, intercompany trading balances, accrued income and trade debtors.

Financial assets measured at fair value comprise fixed asset investments with a quoted market price.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

**11. Staff costs and trustees' remuneration – Group and company**

	<b>2021 £</b>	<b>2020 £</b>
Salaries	<b>523,979</b>	613,034
Social security costs	<b>54,492</b>	59,598
Pension costs	<b>14,863</b>	16,963
	<b>593,334</b>	689,595
The average weekly number of employees during the year	<b>14</b>	17

Two employees received remuneration amounting to more than £60,000 (two employees in 2020) with their remuneration in the bracket of £60,001 - £70,000 (2020 – one employee in the bracket of £60,001 - £70,000 and one employee for the bracket of £70,001 - £80,000).

The trustees do not receive remuneration from the charity or its subsidiary.

**11. Staff costs and trustees' remuneration – Group and company (continued)**

No trustees received any payments or reimbursements of expenses from the charity in either year.

The total aggregate remuneration (including employer's pension and national insurance contributions) of key management personnel during the year was £166,799 (2020: £221,427). Key management are the trustees, the CEO and the COO.

**12. Funds and reserves**

	Unrestricted funds £	Designated funds		Restricted funds £	Total funds £
		Operational funds £	Strategic funds £		
<b>Group</b>					
As at 1 April 2020	460,493	398,307	2,500,000	31,765	<b>3,390,565</b>
Income	898,470	—	—	115,000	<b>1,013,470</b>
Expenditure	(856,425)	(66,681)	(2,268,001)	(24,414)	<b>(3,215,521)</b>
Transfers	231,999	(115,000)	(231,999)	115,000	—
Gain on investments	888,837	—	—	—	<b>888,837</b>
<b>As at 31 March 2021</b>	<b>1,623,374</b>	<b>216,626</b>	<b>—</b>	<b>237,351</b>	<b>2,077,351</b>
	Unrestricted funds £	Designated funds		Restricted funds £	Total funds £
		Operational funds £	Strategic funds £		
<b>Parent charity</b>					
As at 1 April 2020	492,258	398,307	2,500,000	—	<b>3,390,565</b>
Income	31,116	—	—	115,000	<b>146,116</b>
Expenditure	(13,485)	(66,681)	(2,268,001)	—	<b>(2,348,167)</b>
Transfers	231,999	(115,000)	(231,999)	115,000	—
Gain on investments	888,837	—	—	—	<b>888,837</b>
<b>As at 31 March 2021</b>	<b>1,630,725</b>	<b>216,626</b>	<b>—</b>	<b>230,000</b>	<b>2,077,351</b>

Unrestricted funds comprise those funds which the Trustees may use in accordance with the Charitable objectives. The charity also holds designated reserves created by funds received from the sale of investments in prior years. The designations include:

- £217k (2020: £398k) in Designated Operational Reserves for immediate operational priorities relating to the existing Brightside activities. This includes investment in technology and impact measurement, seed funding for the Schools Network launched during FY19/20 and match funding of £115k for the Schools Network for the year ahead. Trustees will approve spending from this fund based on each business case presented, articulating the future benefits to the organisation.
- £0k (2020: £2.5m) in Designated Strategic Reserves. This was held for future strategic initiatives not related to the current operational activities of Brightside and £2,268k has been donated from this fund to Upside Trust during the year. The balance has been transferred to the Unrestricted fund.
- Trustees plan to review the designated funds during the year to 31 March 2022.

This leaves net unrestricted funds of £1,623k (2020: £460k) which is almost 21 months operational expenditure of the group (excluding the one-off grant to Upside).

There is a Restricted fund related to a grant from the Fidelity UK Foundation for developments to the CRM system. This work is being carried out by the subsidiary and there is a balance on the fund at year end, in the subsidiary of £7,352 (2020: £31,765).

**12. Funds and reserves (continued)**

There is a new Restricted fund related to a grant from The AKO Foundation in February 2021, to expand the Schools Network. There has been no expenditure this year and therefore the full balance is still showing on the fund at year end, with the match funding transferred from the Designated Operational Reserves for this work.

**13. Contingent liabilities**

There were no contingent liabilities to disclose at 31 March 2021 or 31 March 2020.

**14. Capital commitments**

The group and the parent charity has no capital commitments at 31 March 2021 (2020: £nil).

**15. Related party transactions**

Details of transactions with trustees are set out in note 11.

As outlined above, this year the Brightside board, after a review on how to maximise the impact of its reserves over and above the mentoring activities, concluded that grant-making activity should be conducted by a third party, so as not to distract Brightside from its principal activities. The board therefore agreed that they would support the creation of a new charity for this purpose, to be overseen by the outgoing Chair and Treasurer, John Berry and James Heron, The Upside Trust (charity number 1192938). In March 2021, the Brightside board donated £2,268k. The donation was given in the form of units from the unit trust and is governed through a Deed of Grant signed by both Brightside and The Upside Trust. Under the terms of this deed, Upside is obliged to report annually to the Brightside trustees on their activities and impact until such time as the donation is spent.

Trustees consider that The Brightside Trust had no other transactions during the year which need to be disclosed as related party transactions.