

# **The Brightside Trust**

## **Annual Report and Financial Statements**

31 March 2022

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 O Siddiqua
<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 2022. The financial statements have been prepared in accordance with the accounting policies set out on page 18 to 20.

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 four or 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 chair 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 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 income volatility in the higher education market due to the regulatory changes in Access & Participation (AP). The Office for Students appointed a new Director of Fair Access and Participation in January 2022 who is changing the guidance on university Access and Participation Plans (APPs) and has launched a consultation on a new approach to APPs in Autumn 2022. These changes mean Universities are reviewing their AP priorities and there is a risk this may adversely affect Brightside. This coupled with a worsening economic environment and a cost of living crisis presents a risk for the organisation.

The charity also faces volatility in equity markets and investment markets due to wider economic conditions. Liquidity risk is anticipated to be low 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 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:

R Edmunds  
S Payne  
J Beard – resigned 1 April 2022  
S Dauncey  
O Borm  
R Jones  
P Sidhu  
G Murgatroyd – resigned 23 March 2022  
O Siddiq  
A Ross – appointed 1 June 2022  
J Azim - appointed 1 June 2022  
B Hunt – appointed 11 April 2022

**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 as the trustees are aware:

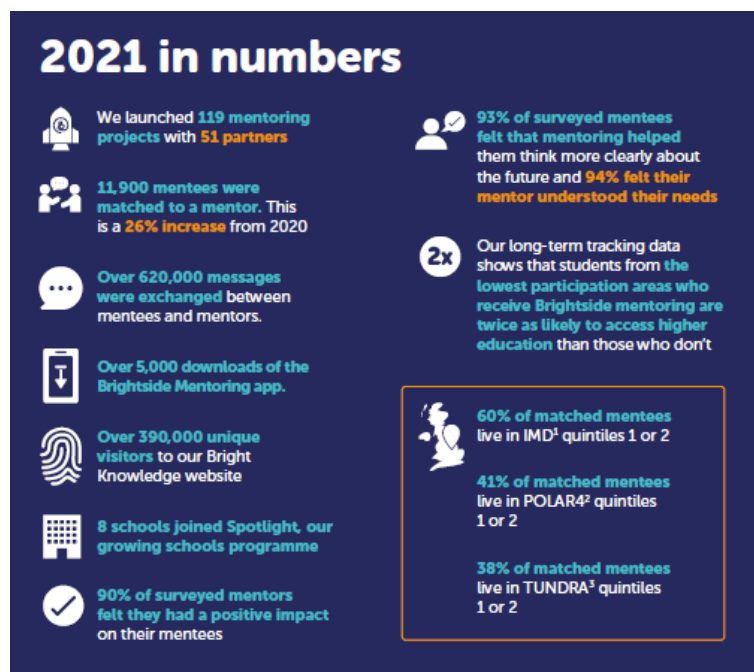
- ♦ there is no relevant audit information of which the charity's auditors are unaware; and
- ♦ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## Objectives, activities, performance and future plans

### Overview

2021/22 was a year of “scaling up”. Following the success of the previous year at Brightside we have continued to develop our programmes, our impact and our team. We grew from a team of 14 to a team of 24, we built our Spotlight Programme from 5 schools to 13 schools and reached 11,900 young people.

We have learned much through this and have adapted to change positively and proactively. We have continued our collaborative programme approach which enables us to reach groups of young people who face additional barriers to success. These young people can be hard to find and therefore often do not receive the specific, tailored support that will enable them to negotiate a positive pathway. We are particularly proud of the results of our first Bright Carers programme which brought seven partners together including the expertise of The Children's Society, to successfully provide mentoring for around 30 young carers.



NB These data points cover the calendar year 2021 in line with our impact reporting.

Overall, this year we are proud to have welcomed new staff and new partners all with the shared purpose of helping the young people who need it most to make confident and informed decisions about their futures.

### Why we exist

In the UK, access to opportunities is often more determined by where a person grew up (or what their parents do) than what they want to do. The gap in access and opportunity for those in the less affluent areas of the UK was unacceptable *before* the global pandemic played havoc on the experiences of young people. Research shows that as a result of the pandemic gaps are widening and young people are struggling.

*“My Brightside mentor always motivated me to pursue my dream and assisted me in the application process, making me realise that I am capable of going down this path. Career advisors at school are sometimes pessimistic about chances of getting into medical school, so that did sway my decision initially. However, through this mentoring scheme and the support that I have received, I am confident about my decision to pursue higher education”*

*Mentee on the Bright Carers programme*

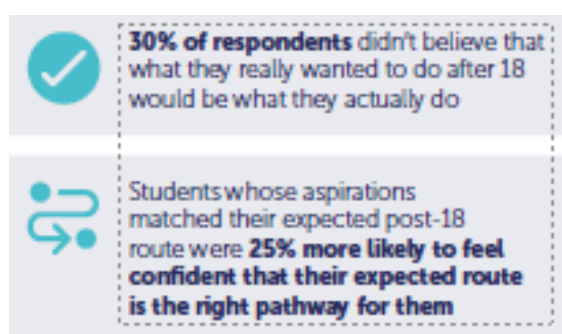
### Why we exist (continued)

For a young person to reach their potential, guidance, behaviours and attitudes are as important as academic performance. Guidance is crucial when young people are deciding what qualifications, work experience, courses and institutions will lead to a fulfilling and successful career. A 2021 UCAS report found that one in five students could not study a Higher Education subject that interested them because they did not have the relevant subjects for entry, and two in five believe more information and advice would have led to them making better choices.

We are finding similar patterns in our own research. In 2021/22, we surveyed 4,700 secondary school pupils from 12 schools as part of Spotlight, our growing schools programme, asking students a range of questions around their expectations and aspirations. The results showed a real need for guidance and support when it comes to exploring future career pathways. We saw levels of hope and social capital decrease after year 7 and 8, with many young people lacking in these in years 10 and 11 (key decision-making points).

These survey results show the gap that exists for many young people between their aspirations and their expectations. They highlight the need for quality mentoring that supports young people to self-reflect and set realistic, achievable goals informed by the contexts in which they operate.

**Our survey showed the same pattern in respondents' understanding of the connection between school and careers:**



### Financial review

The group received income of £1,128k (2021: £1,013k) in the year to 31 March 2022, an increase of 11 % on the previous year, and in line with expectations. Expenditure including direct project expenditure and running costs, totalled £1,164k (2021: £948k excluding the grant to Upside). This is an increase on last year as a result of being a larger organisation delivering more projects than in the prior year and reflecting the decision by trustees to 'match fund' a grant received for Spotlight with funding from reserves.

Brightside Social Enterprise Limited, the trading subsidiary made a surplus of £322k (2021: deficit of £1,438). This is driven by a one off £208k loan waiver from the parent charity in connection with the Business Transfer and by the two grants for Spotlight from the parent charity, which total £230k.

### March 2023 Vision



### March 2023 Vision (continued)

With the two overarching and interlinked priorities of becoming a sustainable and impact led organisation, we are currently working towards the above ambitious vision.

During 2021/22 we made promising progress towards this vision, with the investment in our digital strategy coming to fruition and helping prove that our intervention is both high quality and high impact. We matched 11,900 mentees to a mentor of their choice. We saw that on programmes where young people accessed our service via our app, and all the engagement tools built through our digital strategy were enabled, 35% more mentees sent three messages.

We know this, because alongside building new products, we maintain a robust approach to impact and evaluation in order that our programmes and technology evolve based on evidence. Not only do we continue to use our Theory of Change to hold ourselves accountable to the short and long term impact we have on young people but we also review, iterate and evolve our practices by regularly analysing progress. We have created new roles which support this approach - an Impact Manager and a Deputy Head of Programmes, bridging the gaps which can so easily form between evaluation, practice and digital developments.

As our proof in the power of online mentoring grows, so too does our confidence in our ability to reach more young people through our programmes.

During 2021/22 we have begun using that confidence to influence and engage the external world to a greater degree. In November 2021 we were awarded a £50k grant via the Digital Impact Fund by Social Business Trust & Permira and alongside this, invested in a much-needed role - Communications & Marketing Manager. We commissioned an external agency and have built [a new website](#) which shouts loudly that:

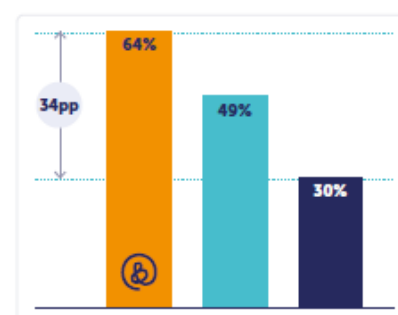
**We are a social mobility charity** that connects young people with inspiring mentors to help them make confident and informed decisions about their future.

**We are impact-led.** We design and run programmes, train volunteers and facilitate meaningful conversations between mentors and mentees.

**We are pioneers in digital mentoring** with nearly twenty years' experience and take pride in finding new and better ways to have a greater impact.

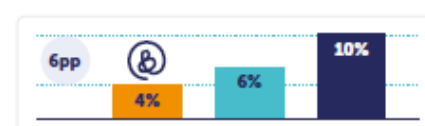
**Our programmes work:** they have a positive, lasting impact and we can prove it. Young people who receive our mentoring are twice as likely to access Higher Education than their peers, and, crucially, they are more likely to complete their course.

Students from the lowest participation and highest deprivation areas who receive Brightside mentoring are twice as likely to access higher education than those who don't



64% of Brightside mentees from POLAR4 Q1 found in HE / 49% of outreach participants recorded on the HEAT database / 30% national average

They are more likely to complete their course



Non-continuation rate of engaged Brightside mentees from POLAR4 Q1 is 4% / 6% for outreach participants recorded on the HEAT database / 10% national average

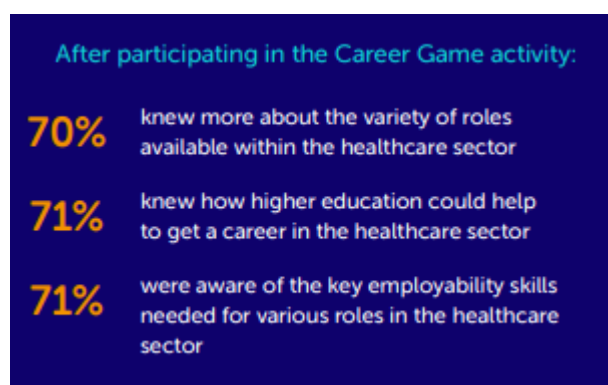
### 2022/23 Overview

We aim to further expand our reach across the four nations with an aspirational target of engaging 15,000 young people this year. To do this, we continue to invest in our technology, iterating on tools which will further improve the user experience and we continue to innovate within our programmes and partnerships. In 2022/23 we will be:

**Addressing the future skills gap:** The skills gap facing some sectors needs to be addressed and young people must be equipped to move successfully into the careers of the future. During 2022/23 we will focus on building partnerships with the public sector and with the engineering, creative and built environment sectors in order to help young understand the breadth of opportunity within them and to find the education pathway which will enable them to succeed in accessing them.



**Supporting the access agenda:** Universities have been asked to submit variations on their existing Access & Participation Plans and at Brightside we are well placed to support institutions to deliver on those plans. Whilst these variations have caused institutions to pause and this will have a knock-on impact to our income in the short term, once in place, our evidenced interventions will continue to support young people to access and succeed in Higher Education



**Expanding Spotlight:** Our newly rebranded Spotlight Programme continues to grow, with new schools joining regularly. We have expanded further into Yorkshire and plan to launch a fourth hub in the North West. The Spotlight survey provides us with useful insights into young people's perceptions and expectations and we are using these to evolve our programmes, particularly for pre-16 students. The Career Game has proved popular with schools and

so far this year 1,200 young people across 8 schools have taken part.

**Building in Youth Voice:** We have recruited ten young people to our Youth Board and alongside a sub-committee we are using their voices to influence our technology and to further our understanding of our impact.

### Post 2023 vision:

The residual effects of the Covid pandemic, the cost of living crisis and changes in higher education policy are making it challenging to meet our ambitious aspirations for 2022/23. We expect our income to be lower than in 2021/2022 but remain confident that our high quality, high impact intervention is both right for and needed by young people. Meanwhile we are working this year to refine our strategy, which will enable us to realise the scale of our ambition in the longer term.

### **Governance**

During 2021-22 the six new board members who joined in March 2021 were fully inducted and the board set up six subcommittees; Finance & Risk, Impact & Measurement, People, Technology, Spotlight and a Youth Board liaison committee. These subcommittees are providing the space and time to challenge and support the executive team on the important areas for the organisation and allowing the trustees to bring their skills and experience to benefit Brightside throughout the year. The subcommittees report into the full board each quarter, where key decisions are made. In the first quarter of 2022-23 long standing board member Jon Beard stepped down and the board recruited three new trustees.

Following the set-up of Upside last year and the donation to this new charity, the trustees took charity law advice from Bates Wells about the structure of the group, which is costly for the organisation to administer. Following this advice and with Bates Well's support, the Trustees concluded that the subsidiary's activities were exclusively charitable and furthered the objects of the charity. Therefore, trustees decided to transfer the subsidiary's assets to the charity and will ultimately close down the subsidiary, bringing significant time and cost savings for the charity. With ongoing advice from Bates Wells and Buzzacott, and consent from the Charity Commission, the trustees arranged a Business Transfer agreement which took place at midnight on the 31<sup>st</sup> March 2022.

To allow for the subsidiary to transfer its assets to the charity (its sole member), the subsidiary needed to comply with the restrictions in section 830 Companies Act 2006 which provides that a company can only make a distribution to its member out of accumulated realised profits. The subsidiary did not have sufficient accumulated realised profits to make the transfer of its assets to the charity and therefore carried out a capital reduction to create sufficient distributable reserves. In addition, the charity waived the requirement for subsidiary to repay the intercompany loan, which allowed the directors of the subsidiary to sign the solvency statement required for the capital reduction. The trustees concluded that it was in the best interests of the charity to waive this as all loan monies were used for activities which further the charity's purpose and as such the funds could have originally been paid to the subsidiary by way of grant. In addition, the reason for writing off the loan was to facilitate the assets of the subsidiary moving to the charity which would benefit the charity through time and cost savings.

All assets and liabilities were transferred to the parent charity on 31 March 2022. Employees were transferred across under the TUPE regulation. The parent charity was VAT registered from 1 April 2022 and all activity has taken place through the parent charity from this date. The trading subsidiary will be closed down during the year to 31 March 2023.

### **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 Rothchild 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.

### **Reserves** (continued)

The charity has two restricted reserves at year end, one for the grant funding for Spotlight from AKO Foundation and a new restricted fund for The Social Business Trust Digital Impact Fund (DIF). This leaves net unrestricted funds of £1.509m (2021: £1.623m) of which is almost 16 months operational expenditure of the group. The trustees are satisfied that the reserves are above the minimum target.

Forecasts have been prepared which disclose that the group has significant headroom to operate with existing funds for the next 12 months. 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.

### **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:



R Edmunds

Trustee

Date: 13.12.2022

**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 2022 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 2022 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.

**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.

19 December 2022

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

Buzzacott LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

## Consolidated Statement of financial activities Year to 31 March 2022

	Notes	Year ended 31 March 2022 Unrestricted funds £	Year ended 31 March 2022 Restricted funds £	Year ended 31 March 2022 Total funds £	Year ended 31 March 2021 Unrestricted funds £	Year ended 31 March 2021 Restricted funds £	Year ended 31 March 2021 Total funds £
<b>Income from:</b>							
Grants and donations	2	10,053	155,000	<b>165,053</b>	62	115,000	115,062
Charitable activities	2	963,254	—	<b>963,254</b>	898,408	—	898,408
<b>Total income</b>		<b>973,307</b>	<b>155,000</b>	<b>1,128,307</b>	<b>898,470</b>	<b>115,000</b>	<b>1,013,470</b>
<b>Expenditure on:</b>							
Charitable activities:	3						
. Direct projects and administrative support		(948,158)	(215,996)	<b>(1,164,154)</b>	(923,107)	(24,413)	(947,520)
. Grants payable		—	—	<b>—</b>	(2,268,001)	—	(2,268,001)
<b>Total expenditure</b>		<b>(948,158)</b>	<b>(215,996)</b>	<b>(1,164,154)</b>	<b>(3,191,108)</b>	<b>(24,413)</b>	<b>(3,215,521)</b>
<b>Net income/(expenditure) income before gains on investments</b>		<b>25,149</b>	<b>(60,996)</b>	<b>(35,847)</b>	<b>(2,292,638)</b>	<b>90,587</b>	<b>(2,202,051)</b>
Gains on investments	4	56,211	—	<b>56,211</b>	888,837	—	888,837
<b>Net surplus for the year and net movement in funds before transfers</b>		<b>81,360</b>	<b>(60,996)</b>	<b>20,364</b>	<b>(1,403,801)</b>	<b>90,587</b>	<b>(1,313,214)</b>
Transfers between funds	12	(105,000)	105,000	—	—	—	—
<b>Net movement in funds</b>		<b>(23,640)</b>	<b>44,004</b>	<b>20,364</b>	<b>(1,403,801)</b>	<b>90,587</b>	<b>(1,313,214)</b>
Total funds brought forward		1,840,000	237,351	<b>2,077,351</b>	3,358,800	31,765	3,390,565
<b>Total funds carried forward</b>	12	<b>1,816,360</b>	<b>281,355</b>	<b>2,097,715</b>	<b>1,954,999</b>	<b>122,352</b>	<b>2,077,351</b>

The results relate wholly to continuing activities.

# Parent charity and consolidated balance sheet 31 March 2022

	Notes	Consolidated 2022 £	Charity 2022 £	Consolidated 2021 £	Charity 2021 £
<b>Fixed assets</b>					
Investments	4	1,540,909	1,540,909	1,484,698	1,484,698
Intangible assets	6	141,165	141,165	145,688	—
Tangible fixed assets	7	10,556	10,556	5,517	—
		<b>1,692,630</b>	<b>1,692,630</b>	1,635,903	1,484,698
<b>Current assets</b>					
Cash at bank and in hand		584,124	326,140	771,751	352,951
Debtors	8	214,718	472,702	222,111	252,709
		<b>798,842</b>	<b>798,842</b>	993,862	605,660
<b>Creditors:</b> amounts falling due within one year	9	<b>(393,757)</b>	<b>(393,757)</b>	(552,414)	(13,007)
<b>Net current assets</b>		<b>405,085</b>	<b>405,085</b>	441,448	592,653
<b>Net assets</b>		<b>2,097,715</b>	<b>2,097,715</b>	2,077,351	2,077,351
<b>Charity funds</b>					
Unrestricted funds		1,816,360	1,816,360	1,840,000	1,847,351
Restricted funds		281,355	281,355	237,351	230,000
<b>Total funds</b>	12	<b>2,097,715</b>	<b>2,097,715</b>	2,077,351	2,077,351

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

*R m Edmonds*

R Edmunds

Trustee

Date: 13.12.2022

## Consolidated statement of cash flows 31 March 2022

	2022 £	2021 £
<b>Net cash used in operating activities</b>		
Net surplus\ (deficit) for the year	20,364	(1,313,214)
(Gain) on changes in fair value of investments	(56,211)	(346,191)
Profit realised on sale of investments	—	(542,646)
Decrease\ (increase) in debtors	7,393	(121,778)
(Decrease)\ increase in creditors	(158,657)	284,788
Depreciation	4,598	4,226
Amortisation write off	3,445	—
Amortisation	74,578	104,540
	<b>(104,490)</b>	<b>(1,930,275)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of investments	—	2,468,001
Purchase of tangible fixed assets	(9,637)	(5,576)
Purchase of intangible fixed assets	(73,500)	(66,500)
<b>Net cash provided by investing activities</b>	<b>(83,137)</b>	<b>2,395,925</b>
<b>Change in cash and cash equivalents</b>	<b>(187,627)</b>	<b>465,650</b>
Cash and cash equivalents brought forward	771,751	306,101
<b>Cash and cash equivalents carried forward</b>	<b>584,124</b>	<b>771,751</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.

### Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	584,124	771,751
<b>Total cash and cash equivalents</b>	<b>584,124</b>	<b>771,751</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 2022 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 income for The Brightside Trust, the CIO, was £20,364 for the year (2021: net expenditure of £1,313,214).

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. 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 income, and the 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.

### **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 2022 is set out below. At midnight on the 31 March 2022 the assets and liabilities were transferred from Brightside Social Enterprise Limited to the parent charity, leaving only the cash and an intercompany loan owed to the parent charity.

	2022 £	2021 £
Income from mentoring projects	1,193,404	931,148
Other income	208,000	—
Charitable expenditure	(1,079,750)	(912,532)
Finance charges payable to the parent undertaking	—	(20,054)
<b>Profit/ (loss) for the year</b>	<b>321,654</b>	<b>(1,438)</b>

Other income of £208,000 relates to the waiver of the loan due to The Brightside Trust at 18<sup>th</sup> March 2022.

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

	2022 £	2021 £
Fixed assets	—	151,205
Current assets	257,984	640,874
Creditors: amounts falling due to within one year	(257,984)	(969,644)
<b>Net current liabilities</b>	<b>—</b>	<b>(328,770)</b>
<b>Net liabilities</b>	<b>—</b>	<b>(177,565)</b>
<b>Aggregate share capital and reserves</b>	<b>—</b>	<b>(177,565)</b>

## 2. Income

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Total £
<b>Charitable activities</b>				
Online Mentoring activity	963,254	—	963,254	898,408
<b>Grants and donations</b>				
Grants	10,000	155,000	165,000	115,000
Donations	53	—	53	62
	10,053	155,000	165,053	115,062
<b>Total income for the year</b>	<b>973,307</b>	<b>155,000</b>	<b>1,128,307</b>	<b>1,013,470</b>

Included within "Online mentoring activities" is £350 (2021: £19,339) of covid support funding relating to staff furloughed in the year and £6,803 of income from the government Kickstart Scheme.

### 3. Expenditure on charitable activities

	2022 £	2021 £
Direct project expenses	103,124	116,397
Payroll expenses – direct project work	523,185	385,667
<b>Support costs</b>		
Payroll expenses – administrative	281,715	207,667
Travel & accommodation	4,396	24
Overhead and support costs – charitable activities	200,170	176,043
Office Costs	9,500	23,290
IT/ Phone/ Internet Costs	15,178	13,452
Auditors remuneration (governance costs):		
. Audit services	14,104	12,640
. Tax compliance services	1,680	1,600
. Other services	11,104	10,740
<b>Expenditure before grants payable</b>	<b>1,164,156</b>	<b>947,520</b>
Grant payable to the Upside Trust	—	2,268,001
<b>Total expenditure</b>	<b>1,164,156</b>	<b>3,215,521</b>

Included within “Direct project expenses” is £7,351 relating to the Fidelity restricted funds (2021 - £24,413), included within “support costs” is £35,921 relating to the Digital Impact restricted funds (2021- £nil) and included across “payroll expenses” and “support costs” is £172,724 relating to the Spotlight restricted funds.

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 2022 £</b>
Opening market value	1,484,698
Disposal of investments at opening market value	—
Gain in the market value of investments	56,211
<b>At 31 March 2022– at market value</b>	<b>1,540,909</b>
Realised gain on disposal of investment assets	—
Unrealised gain on changes in the market value of investments	56,211
	56,211
<b>Analysis of investments</b>	
Unit trust	1,540,909

#### 4. Investments (continued)

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

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 1 £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 2021	—	1,484,698	<b>1,484,698</b>
Gain on movements in fair value	—	56,211	<b>56,211</b>
<b>At 31 March 2022</b>	<b>—</b>	<b>1,540,909</b>	<b>1,540,909</b>
At 31 March 2021	—	1,484,698	<b>1,484,698</b>

#### 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, although a profit was made in year there were sufficient tax losses brought forward to offset against total taxable profits.

## 6. Intangible fixed assets

<b>Group</b>	<b>Software £</b>
<b>Cost</b>	
At 1 April 2021	620,885
Additions	73,500
Disposals	(8,750)
At 31 March 2022	<u>685,635</u>
<b>Amortisation</b>	
At 1 April 2021	475,197
Provided in the year	74,578
Disposals	(5,305)
At 31 March 2022	<u>544,470</u>
<b>Net book value</b>	
At 31 March 2022	<u>141,165</u>
<b>Net book value</b>	
At 31 March 2021	<u>145,688</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 Subsidiary transferred the intangible fixed assets to the Parent Charity as at 31 March 2022.

## 7. Tangible fixed assets

<b>Group</b>	<b>Computers £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2021	13,015	13,015
Additions	9,637	9,637
Disposals	(1,703)	(1,703)
At 31 March 2022	<u>20,949</u>	<u>20,949</u>
<b>Depreciation</b>		
At 1 April 2021	7,498	7,498
Charge for the year	4,598	4,598
Depreciation eliminated on disposals	(1,703)	(1,703)
At 31 March 2022	<u>10,393</u>	<u>10,393</u>
<b>Net book value</b>		
At 31 March 2022	<u>10,556</u>	<u>10,556</u>
<b>Net book value</b>		
At 31 March 2021	<u>5,517</u>	<u>5,517</u>

7. Tangible fixed assets (continued)

*Parent charity*

	Computers £	Total £
<b>Cost</b>		
At 1 April 2021	2,795	<b>2,795</b>
Transferred from BSOC	19,856	<b>19,856</b>
Disposals	(1,703)	<b>(1,703)</b>
At 31 March 2022	<u>20,948</u>	<u><b>20,948</b></u>
<b>Depreciation</b>		
At 1 April 2021	2,795	<b>2,795</b>
Transferred from BSOC	9,300	<b>9,300</b>
Depreciation eliminated on disposals	(1,703)	<b>(1,703)</b>
At 31 March 2022	<u>10,392</u>	<u><b>10,392</b></u>
<b>Net book value</b>		
At 31 March 2022	<u>10,556</u>	<u><b>10,556</b></u>
<b>Net book value</b>		
At 31 March 2021	—	—

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

8. Debtors

<i>Group</i>	2022 £	2021 £
Trade debtors	<b>78,826</b>	195,786
Prepayments	<b>10,024</b>	6,943
Accrued income	<b>125,868</b>	19,382
	<u><b>214,718</b></u>	<u>222,111</u>
<i>Parent Charity</i>	2022 £	2021 £
Trade Debtors	<b>78,826</b>	—
Prepayments	<b>10,024</b>	37
Accrued income	<b>125,868</b>	—
Intercompany trading balance	<b>257,984</b>	252,672
	<u><b>472,702</b></u>	<u>252,709</u>

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>2022 £</b>	<b>2021 £</b>
Trade creditors	14,845	13,594
Other taxes and social security	64,663	113,676
Accruals	36,775	39,363
Other creditors	7,088	8,911
Deferred income	270,386	376,870
	<b>393,757</b>	<b>552,414</b>

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

<b>Parent Charity</b>	<b>2022 £</b>	<b>2021 £</b>
Trade creditors	14,845	45
Other tax & social security	64,663	—
Accruals	36,775	12,962
Deferred income	270,386	—
Other creditors	7,088	—
	<b>393,757</b>	<b>13,007</b>

**10. Financial instruments**

<b>Group</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	788,818	986,919
Financial assets measured at fair value through profit or loss	1,540,909	1,484,698
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(51,620)	(61,868)

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>2022 £</b>	<b>2021 £</b>
<b>Financial assets</b>		
Financial assets measured at amortised cost	530,834	605,623
Financial assets measured at fair value through profit or loss	1,540,909	1,484,698
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(51,620)	(13,007)

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

	2022 £	2021 £
Salaries	715,780	523,979
Social security costs	69,357	54,492
Pension costs	19,763	14,863
	<b>804,900</b>	<b>593,334</b>
The average weekly number of employees during the year	<b>20</b>	<b>14</b>

Two employees received remuneration amounting to more than £60,000 (two employees in 2021) with one in the bracket of £60,001 - £70,000 and one in the bracket £70,001 - £80,000 (2021 – two employees in the bracket of £60,001 - £70,000).

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

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 £163,299 (2021: £166,799). Key management are the trustees, the CEO and the COO.

# 12. Funds and reserves

Group	Un restricted funds £	Designated funds		Restricted funds			Total funds £
		Operational funds £	Strategic funds £	Fidelity UK funds £	Digital Impact funds £	Spotlight funds £	
As at 1 April 2021	1,623,374	216,626	-	7,351	-	230,000	2,077,351
Transfers In	-	305,088	-	-	-	105,000	410,088
Transfers Out	(305,088)	(105,000)	-	-	-	-	(410,088)
Income	973,307	-	-	-	50,000	105,000	1,128,307
Expenditure	(837,944)	(110,214)	-	(7,351)	(35,921)	(172,724)	(1,164,154)
Gain on Investment	56,211	-	-	-	-	-	56,211
<b>As at 31 March 2022</b>	<b>1,509,860</b>	<b>306,500</b>	<b>-</b>	<b>-</b>	<b>14,079</b>	<b>267,276</b>	<b>2,097,715</b>

Parent charity	Un restricted funds £	Designated funds		Restricted funds			Total funds £
		Operational funds £	Strategic funds £	Digital Impact funds £	Spotlight funds £		
As at 1 April 2021	1,630,725	216,626	-	-	230,000		2,077,351
Transfers In	-	305,088	-	-	105,000		410,088
Transfers Out	(305,088)	(105,000)	-	-	-		(410,088)
Income	187,618	-	-	50,000	105,000		342,618
Expenditure	(203,695)	(110,214)	-	(35,921)	(172,724)		(522,554)
Gain on investments	56,211	-	-	-	-		56,211
Transfers of assets from subsidiary	144,089	-	-	-	-		144,089
<b>As at 31 March 2022</b>	<b>1,509,860</b>	<b>306,500</b>	<b>-</b>	<b>14,079</b>	<b>267,276</b>		<b>2,097,715</b>

Unrestricted funds comprise those funds which the Trustees may use in accordance with the Charitable objectives.

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

In the group there are net unrestricted funds of £1.509m (2021: £1.623m) which is almost 16 months operational expenditure of the group.

There were also designated funds of £306,500 at 31 March 2022. During the year trustees reviewed these and allocated funds for Spotlight and Technology over the next few years and for the Business Transfer (spent in year). At year end these funds comprise of:

- ♦ £80,000 for Spotlight for FY22/23 and FY23/24
- ♦ £226,500 for Technology costs for FY22/23, FY23/24 and FY24/25

There are three restricted funds during the year:

- ♦ Fidelity UK Foundation for developments to the CRM system. This work was carried out by the subsidiary and there is a balance on the fund at year end, in the subsidiary of £ Nil (2021: £7,352).
- ♦ A new restricted fund from The Social Business Trust Digital Impact fund (DIF) in October 2021. This grant was to update the Brightside website and as of year-end there was a balance of £14,079 on this fund that had not been spent yet.
- ♦ The Spotlight restricted fund has a balance of £267k at year end.

**13. Contingent liabilities**

There were no contingent liabilities to disclose at 31 March 2022 or 31 March 2021.

**14. Capital commitments**

The group and the parent charity has no capital commitments at 31 March 2022 (2021: £nil).

**15. Related party transactions**

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

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

**16. Loan Waiver**

As at the 28th February 2022, a loan of £208,000 was outstanding which was owed from Brightside Social Enterprise Limited. This was waived as part of the Transfer of assets from the subsidiary to the parent charity.

**17. Transfer Of Assets and Liabilities**

At midnight on the 31 March 2022 the assets and liabilities were transferred from Brightside Social Enterprise Limited to the parent charity for consideration at book value, leaving the cash and an

**Notes to the financial statements** 31 March 2022

intercompany loan balance owed to the parent charity. The Directors of Brightside Social Enterprise Limited intend to wind up the company in the 22/23 financial year.

**18. Post Balance Sheet Events**

As of 1 April 2022 the parent charity registered for VAT.