

The Brightside Trust

Annual Report and Financial Statements

31 March 2023

Charity Registration Number
1159993

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Reference and administrative information

Trustees	J Azim O Borm S Dauncey R Edmunds C Goodwill B Hunt S Payne A Ross P Sidhu
Address	CAN Mezzanine 7-14 Great Dover Street London SE1 4YR
Charity registration number	1159993
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE
Bankers	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 2023. 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.

The aim of the Brightside Trust 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.

Brightside Social Enterprise Limited was incorporated on 11 September 2015 and operated as the charity's trading subsidiary until 31 March 2022, when its assets and liabilities were transferred to the CIO, for consideration at book value, leaving the cash and an intercompany loan balance owed to the parent charity. The intercompany loan was settled through cash transfer post 31 March 2022 and Brightside Social Enterprise will be struck off shortly.

The above transactions were carried out following charity law advice from Bates Wells about the structure of the group, which was costly for the organisation to administer. In the light of 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 the trustees decided to close down the subsidiary, bringing significant time and cost savings for the organisation.

The transfer of activity from Brightside Social Enterprise Limited to The Brightside Trust is a reconstruction that has been treated as a merger for accounting purposes.

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 with the decision to re-appoint resting with the Chair of trustees. 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. The trustees meet quarterly 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.

Structure, Governance and Management (continued)

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 Chief Executive and the Chief Operating Officer comprise the key management personnel and are responsible for leading and running the charity 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 through a review of annual pay policy and budgets.

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 regular basis to ensure these are mitigated.

The main financial risk faced by the charity is income volatility due to current market conditions across all our markets. The higher education market is in flux 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 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. Our Spotlight programme is struggling to secure funding from schools, with schools' budgets squeezed. In general, the worsening economic environment and the 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 as 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:

J Azim – appointed 1 June 2022
J Beard – resigned 1 April 2022
O Borm
S Dauncey
R Edmunds
C Goodwill – appointed 1 February 2023
B Hunt – appointed 11 April 2022
R Jones – resigned 3 July 2023
S Payne
A Ross
O Siddiqua- resigned on 13 September 2023
P Sidhu

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

Why we exist

In the UK, access to opportunities is often determined by where a person grew up (or what their parents do) than what they are capable of doing. We exist to change this.

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.

[UCAS have found](#) that two in five students believe more information and advice would have led to them making better choices, and the [Department for Education](#) found that only 7% of 18–19-year-olds surveyed had any careers support in the last 12 months.

The Careers & Enterprise Company [found strong links](#) between exposure to career information, contact with employers and positive employment destinations, particularly with those eligible for free school meals. Yet the Big Career Conversation indicates the gap has widened between advantaged and disadvantaged children. As school budgets and resources remain squeezed, crucial provision such as career guidance is deprioritised. The young people who miss out most are those who do not have the home support or finance to seek advice elsewhere.

The power of mentoring shines through in the responses from mentees in our end of programme surveys, particularly to the question 'How did your mentor support you?'.

This year, we looked at over 500 qualitative responses and uncovered a range of answers. The results can be seen in the image to the right from the 2023 impact report.

HOW MENTORS SUPPORTED THEIR MENTEES THIS YEAR



All this data shows how crucial mentoring is. It's so personalised: someone is right there to answer any specific questions. If a mentee wants reassurance, advice about transitioning from one phase of education to another, or ideas for what they could do, there's a Brightside mentor who can help them personally.

Overview

Once again, our annual impact report gave us proof of the power of online mentoring. Our data consistently shows that young people who receive our intervention are more likely both to access higher education and to successfully complete their degree course. This year we also undertook research which showed that receiving our mentoring before 16, positively affects GCSE results by 4.8 grades.

However, as predicted, the cost of living crisis proved challenging and as a result we were unable to work with as many partners or reach as many young people as the previous year. In particular, this has had an impact on our Spotlight programme, with many schools struggling to afford their contribution to costs. Despite these challenges, we are proud of the continued high-quality, high-impact mentoring the team have delivered in a turbulent external environment. We recognise that this turbulence is felt more deeply by young people and so we continue to strive towards supporting as many young people as possible to negotiate their education and career pathways.

Key Activity

Programmes: We worked with 59 partners to deliver 135 projects which supported nearly 8,000 young people across the country. Previous investment in developing our technology to increase engagement has been realised fully this year and we see highest engagement (over 80%) when programmes utilise these tools.



1: '2022 in numbers' is from the 2023 impact report. Engagement and programme data is from the 2022 calendar year. Mentee and mentor feedback is from projects that ended in the 2021/22 academic year.

Key Activity (continued)

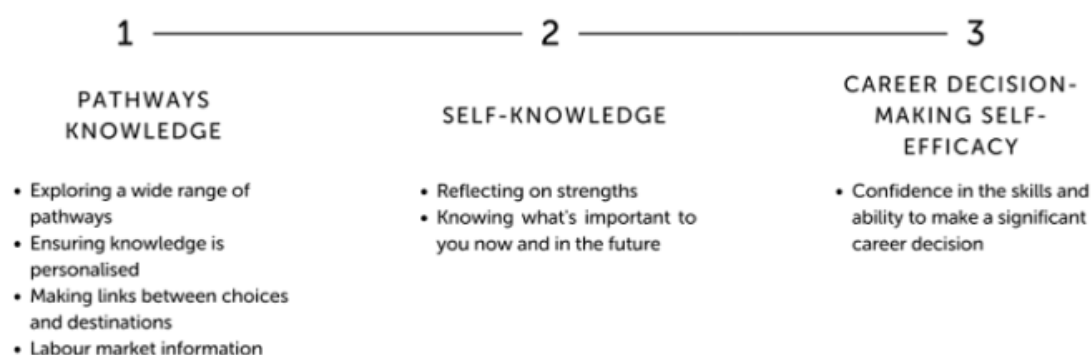
Spotlight Programme: Our Spotlight Programme grew to 20 participating schools and we began adapting the delivery model to meet the needs of schools and provide an efficient pedagogy on which we can further scale this initiative.

Youth Voice: This year saw the introduction of a more structured and embedded approach to youth voice. We welcomed a new Youth Board who supported us in a number of activities, including:

1. Social media takeover day to tell our network about the power of online mentoring
2. Our outcomes review to influence the accessibility and articulation of our impact surveys
3. Mutual mentoring with our board to ensure youth voice is felt in our governance structures

We are grateful to the Youth Board for their time, their voice and their commitment to our cause.

Outcomes review: We have undertaken a full review of our outcomes this year. We conducted an external literature review to update our understanding of the latest research and completed an analysis of over 600 mentee qualitative survey responses. Following this we have simplified our approach to measuring our outcomes and will be measuring three key outcomes for mentees in the future:



Financial review

On 31 March 2022, the assets and liabilities of Brightside Social Enterprises Limited were transferred to the parent charity, The Brightside Trust. This reconstruction, as required by the Charities SORP (FRS 102), been treated as a merger for purposes of these financial statements. The figures in the financial statements consist of the aggregated assets, liabilities and funds of the combining charities for the year ended 31 March 2023. Where comparatives are provided, these relate to the consolidated results of The Brightside Trust and Brightside Social Enterprises Limited drawn up to 31 March 2022 on a line by line basis, eliminating inter-group transactions.

Financial review (continued)

The charity received income of £804,343 (2022: £1,128,307) in the year to 31 March 2023, a decrease of 29% on the previous year. Expenditure, including direct project expenditure and running costs, totalled £1,215,434 (2022: £1,164,154) an increase of 4%. Trustees agreed to keep expenditure at this level pending the outcome of a structured programme to secure new sources of funding, particularly for Spotlight. The results of this initiative should be known towards the end of the year to 31 March 2024, following which the cost base of the charity will be reviewed again, in the light of future growth opportunities at that time.

2023/24 Forecast

The external environment continues to be challenging for charities generally, and for those in the education sector specifically. As a result of this, the focus in 2023/24 must be balanced to be ambitious in reaching as many young people as possible and focussed on providing stability. As we take Spotlight to market fully and test the sustainability of this model we are aware that the cost-of-living crisis continues to affect the already limited budgets of schools. We will therefore need to remain agile in our approach to Spotlight.

The demands on, and expectations of, our technology remain high - to provide a relevant and engaging service to our partners, our mentors and our mentees. We will continue to invest in its future this year. We will add an embedded, safeguarded and secure video mentoring tool which offers opportunities in our pedagogy and for partnerships. The mentoring platform and app will be translated into Welsh so that we are able to meet the needs of schools in Wales.

2023/24 will also be a year of celebration as Brightside turns 20. A huge milestone and a period of time during which we have been able to work with over 150,000 young people across the country. We will have a year of activity celebrating this milestone through our website, our online content, social media and both in person and online events.

Governance

The six board subcommittees continue to add value (Finance & Risk, Impact & Measurement, People, Technology, Spotlight and a Youth Board liaison committee). They 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.

The assets and liabilities of the Brightside Social Enterprise Ltd, (the charity's trading subsidiary) were transferred to the parent charity on 31 March 2022. The company was kept open during the year to 31 March 2023 but no activity went through the income statement and there was a Nil balance sheet at year end. The company will be closed down during the year to 31 March 2024.

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.

The charity has one restricted reserve at year end, for the grant funding for Spotlight from AKO Foundation. This leaves net unrestricted funds of £1.209m (2022: £1.509m) of which is almost 12 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 ensures 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: 17 January 2024

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

Opinion

We have audited the accounts of The Brightside Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statements of cash flow, principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the 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 accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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 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

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:

- ◆ the information given in the trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; 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 accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts 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 accounts.

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

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.

18 January 2024

Statement of financial activities Year to 31 March 2023

		Year ended 31 March 2023 Unrestricted funds	Year ended 31 March 2023 Restricted funds	Year ended 31 March 2023 Total funds	Year ended 31 March 2022 Unrestricted funds	Year ended 31 March 2022 Restricted funds	Year ended 31 March 2022 Total funds
	Notes	£	£	£	£	£	£
Income from:							
Grants and donations	1	767	60,000	60,767	10,053	155,000	165,053
Charitable activities	1	736,557	6,039	742,596	963,254	—	963,254
Investments	1	980	—	980	—	—	—
Total income		738,304	66,039	804,343	973,307	155,000	1,128,307
Expenditure on:							
Charitable activities:	2						
Direct projects and administrative support		(950,845)	(264,589)	(1,215,434)	(948,158)	(215,996)	(1,164,154)
Total expenditure		(950,845)	(264,589)	(1,215,434)	(948,158)	(215,996)	(1,164,154)
Net income/(expenditure) income before gains on investments		(212,541)	(198,550)	(411,091)	25,149	(60,996)	(35,847)
(Losses)/gains on investments	3	(88,590)	—	(88,590)	56,211	—	56,211
Net (deficit)/surplus for the year and net movement in funds before transfers		(301,131)	(198,550)	(499,681)	81,360	(60,996)	20,364
Transfers between funds	11	(45,921)	45,921	—	(105,000)	105,000	—
Net movement in funds		(347,052)	(152,629)	(499,681)	(23,640)	44,004	20,364
Total funds brought forward		1,816,360	281,355	2,097,715	1,840,000	237,351	2,077,351
Total funds carried forward	11	1,469,308	128,726	1,598,034	1,816,360	281,355	2,097,715

On 31 March 2022 the assets, liabilities and activities of Brightside Social Enterprises Limited were transferred to The Brightside Trust (see note 14). There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 11 to the financial statements. Year ended 31 March 2022 comparatives shown comprise the consolidated results of The Brightside Trust and Brightside Social Enterprises Limited. The results relate wholly to continuing activities.

Balance sheet 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Investments	3	1,348,435	1,540,909
Intangible assets	5	142,723	141,165
Tangible fixed assets	6	7,388	10,556
		1,498,546	1,692,630
Current assets			
Cash at bank and in hand		222,823	584,124
Debtors	7	247,340	214,718
		470,163	798,842
Creditors: amounts falling due within one year	8	(370,675)	(393,757)
Net current assets		99,488	405,085
Net assets		1,598,034	2,097,715
Charity funds			
Unrestricted funds		1,469,308	1,816,360
Restricted funds		128,726	281,355
Total funds	11	1,598,034	2,097,715

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

RM Edmunds

R Edmunds

Trustee

Date: 17 January 2024

Statement of cash flows 31 March 2023

	2023 £	2022 £
Net cash used in operating activities		
Net (deficit)/surplus for the year	(499,681)	20,364
Loss/(gain) on changes in fair value of investments	88,590	(56,211)
(Increase)\decrease in debtors	(32,622)	7,393
Decrease in creditors	(23,082)	(158,657)
Depreciation	5,851	4,598
Amortisation write off	—	3,445
Amortisation	71,942	74,578
	(389,002)	(104,490)
Cash flow from investing activities		
Proceeds from sale of investments	103,884	—
Purchase of tangible fixed assets	(2,683)	(9,637)
Purchase of intangible fixed assets	(73,500)	(73,500)
Net cash provided by investing activities	27,701	(83,137)
Change in cash and cash equivalents	(361,301)	(187,627)
Cash and cash equivalents brought forward	584,124	771,751
Cash and cash equivalents carried forward	222,823	584,124

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

	2023 £	2022 £
Cash at bank and in hand	222,823	584,124
Total cash and cash equivalents	222,823	584,124

Legal information

The Brightside Trust is a Charitable Incorporated Organisation (Charity no. 1159993) and owns 100% of the issued share capital of the soon to be closed entity, 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 accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

At midnight on the 31 March 2022 the assets and liabilities of Brightside Social Enterprise Limited were transferred from Brightside Social Enterprise Limited to the parent charity for consideration at book value. The activities of the group did not change, but now all reside within The Brightside Trust.

The transfer of activity from Brightside Social Enterprise Limited to The Brightside Trust is a group reconstruction that has been treated as a merger for accounting purposes. As a consequence, these financial statements report all of the activities of The Brightside Trust and the soon to be closed Brightside Social Enterprises Limited entity for both financial periods.

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 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 is 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 in 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 charity 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 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 judgements 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, and the appropriateness of using merger accounting to account for the transfer of the activities, assets and liabilities of Brightside Social Enterprises Limited to The Brightside Trust.

1. Income

	2023 Unrestricted £	2023 Restricted £	2023 Total £	2022 Total £
Charitable activities				
Online Mentoring activity	736,557	6,039	742,596	963,254
Grants and donations				
Grants	—	60,000	60,000	165,000
Donations	767	—	767	53
	767	60,000	60,767	165,053
Investments				
Bank interest	980	—	980	—
Total income for the year	738,304	66,039	804,343	1,128,307

Included within “Online mentoring activity” is £Nil (2022: £350) of covid support funding relating to staff furloughed in the year and £1,085 (2022: £6,803) of income from the government Kickstart Scheme.

2. Expenditure on charitable activities

	2023 £	2022 £
Direct project expenses	124,787	103,124
Payroll expenses – direct project work	578,328	523,185
Support costs		
Payroll expenses – administrative	311,407	281,715
Travel & accommodation	15,856	4,396
Overhead and support costs – charitable activities	127,646	200,168
Office Costs	24,184	9,500
IT/ Phone/ Internet Costs	16,621	15,178
Auditors’ remuneration (governance costs):		
Audit services	13,560	14,104
Tax compliance services	1,200	1,680
Other services	1,845	11,104
Expenditure before grants payable	1,215,434	1,164,154
Total expenditure	1,215,434	1,164,154

Included within “Direct project expenses” is £Nil relating to the Fidelity restricted funds (2022 - £7,351), included within “support costs” is £Nil relating to the Digital Impact restricted funds (2022 - £35,921) and included across “payroll expenses” and “support costs” is £264,589 relating to the Spotlight restricted funds (2022 - £172,724).

2. Expenditure on charitable activities (continued)

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.

The Brightside Trust became VAT registered on 1 April 2022 and as a result at this date became entitled to recover input VAT on eligible expenses incurred from 1 September 2021. Included within overhead and support costs is a negative entry of £11,947 in relation to VAT recovered for this period.

3. Investments

	Fixed asset investments 2023 £
Opening market value	1,540,909
Disposal of investments at opening market value	(109,595)
Loss on the market value of investments	(82,879)
At 31 March 2023 at market value	1,348,435
Realised loss on disposal of investment assets	(5,711)
Unrealised loss on changes in the market value of investments	(82,879)
	(88,590)
Analysis of investments	
Unit trust	1,348,435

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

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.

3. Investments (continued)

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

4. Tax

As a Charitable Incorporated Organisation, The Brightside Trust is exempt from Corporation Tax.

5. Intangible fixed assets

	Software £
Cost	
At 1 April 2022	685,635
Additions	73,500
At 31 March 2023	<u>759,135</u>
Amortisation	
At 1 April 2022	544,470
Provided in the year	71,942
At 31 March 2023	<u>616,412</u>
Net book value	
At 31 March 2023	<u>142,723</u>
Net book value	
At 31 March 2022	141,165

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.

6. Tangible fixed assets

	Computers £	Total £
Cost		
At 1 April 2022	20,949	20,949
Additions	2,683	2,683
Disposals	(1,363)	(1,363)
At 31 March 2023	<u>22,269</u>	<u>22,269</u>
Depreciation		
At 1 April 2022	10,393	10,393
Charge for the year	5,851	5,581
Depreciation eliminated on disposals	(1,363)	(1,363)
At 31 March 2023	<u>14,881</u>	<u>14,881</u>
Net book value		
At 31 March 2023	<u>7,388</u>	<u>7,388</u>
Net book value		
At 31 March 2022	<u>10,556</u>	<u>10,556</u>

7. Debtors

Group	2023 £	2022 £
Trade debtors	173,677	78,826
Prepayments	10,608	10,024
Accrued income	63,055	125,868
	<u>247,340</u>	<u>214,718</u>

8. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	17,303	14,845
Other taxes and social security	73,753	64,663
Accruals	25,416	36,775
Other creditors	9,379	7,088
Deferred income	244,824	270,386
	<u>370,675</u>	<u>393,757</u>

9. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at amortised cost	459,555	788,818
Financial assets measured at fair value through profit or loss	1,348,435	1,540,909
Financial liabilities		
Financial liabilities measured at amortised cost	(42,719)	(51,620)

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.

10. Staff costs and trustees' remuneration

	2023 £	2022 £
Salaries	787,745	715,780
Social security costs	79,831	69,357
Pension costs	22,159	19,763
	889,735	804,900
The average weekly number of employees during the year	23	20

Two employees received remuneration amounting to more than £60,000 (two employees in 2022) with one in the bracket of £60,001 - £70,000 and one in the bracket £70,001 - £80,000 (2022 – one employee in the bracket of £60,001 - £70,000 and one in the bracket £70,001 - £80,000).

The trustees do not receive remuneration from the charity.

Three trustees received payments or reimbursements of expenses from the charity totalling £712 in the year (2022: no trustees received payments or reimbursements of expenses from the charity).

The total aggregate remuneration (including employer's pension and national insurance contributions) of key management personnel during the year was £168,020 (2022: £163,299). Key management are the CEO and the COO.

11. Funds and reserves

	Un-restricted funds £	Designated Funds	Restricted funds			Total funds £
		Operational 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
As at 1 April 2022	1,509,860	306,500	—	14,079	267,276	2,097,715
Transfers In	(145,000)	85,000	—	—	60,000	—
Transfers Out	74,079	(60,000)	—	(14,079)	—	—
Income	738,304	—	—	—	66,039	804,343
Expenditure	(878,903)	(71,942)	—	—	(264,589)	(1,215,434)
Loss on Investment	(88,590)	—	—	—	—	(88,590)
As at 31 March 2023	1,209,750	259,558	—	—	128,726	1,598,034

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

The charity has unrestricted funds of £1.2m (2022: £1.5m) which is almost 12 months operational expenditure of the group.

There were also designated funds of £259,558 at 31 March 2023. During the year trustees reviewed these and allocated funds for Spotlight, Technology and to build video mentoring capability over the next few years. At year end these funds comprise:

- ◆ £20,000 for Spotlight for FY23/24
- ◆ £154,558 for Technology costs for FY23/24 and FY24/25
- ◆ £85,000 to build video mentoring capability in FY23/24

There are two restricted funds during the year:

- ◆ A restricted fund from The Social Business Trust Digital Impact fund (DIF) in October 2021. This grant was to update the Brightside website. As of year-end the fund was fully expended after SBT agreed for us to release the small underspend into general funds
- ◆ The Spotlight restricted fund has a balance of c£129k at year end, following £60k income from AKO Foundation, a £60k transfer from unrestricted reserves to match fund this and £6k funding from schools.

11. Contingent liabilities

There were no contingent liabilities to disclose at 31 March 2023 or 31 March 2022.

12. Capital commitments

The group and the parent charity has no capital commitments at 31 March 2023 (2022: £nil).

13. Related party transactions

Details of transactions with trustees are set out in note 10.

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

14. Transfer Of Assets and Liabilities

At midnight on the 31 March 2022 the assets and liabilities of Brightside Social Enterprise Limited were transferred from Brightside Social Enterprise Limited to the parent charity for consideration at book value. The activities of the group did not change, but now all reside within The Brightside Trust.

The transfer of activity from Brightside Social Enterprise Limited to The Brightside Trust is a group reconstruction that has been treated as a merger for accounting purposes. As a consequence, these financial statements report all of the activities of The Brightside Trust and the soon to be closed Brightside Social Enterprises Limited entity for both financial periods.