

# **The Brightside Trust**

## **Annual Report and Financial Statements**

31 March 2024

Charity Registration Number  
1159993

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## Reference and administrative information

<b>Trustees</b>	J Azim O Borm S Dauncey R Edmunds C Goodwill B Hunt S Payne A Ross P Sidhu
<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 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 2024. The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 22.

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 was struck off on 9 January 2024.

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 Wells' 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 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 continues to be in flux due to the regulatory changes in Access & Participation (AP). All regulated universities have been required to review and renew their AP plans in light of a new risk-based approach by the Office for Students (OfS). This process alongside tightened budgets has unsettled university partnerships. Our Spotlight programme is struggling to secure funding from schools, with schools' budgets squeezed. In general, a challenging economic environment and the ongoing cost-of-living crisis present risks for the organisation.

The charity's ability to meet its mission and fulfil the obligations within contracted partnerships relies heavily on the performance and security of its bespoke online mentoring platform. This requires robust risk management around our technology including data security. The Technology sub-committee adds another layer of risk management, providing robust challenge and access to expertise to ensure any strategic investment in our technology has a clear business case before it reaches the full board for sign off. Given the increased risk around cyber-attacks and the speed in which technology is developing the trustees have reviewed our reserves policy to protect the long-term viability of the organisation through a focussed designation of reserves.

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  
O Borm  
S Dauncey  
R Edmunds  
C Goodwill  
B Hunt  
R Jones – resigned 3 July 2023  
G Montgomery – appointed 1<sup>st</sup> April 2024  
S Payne  
A Ross  
O Siddiq- resigned on 13 September 2023  
P Sidhu  
T Shah – appointed 1<sup>st</sup> April 2024

**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

Our vision is a society where everyone has equal access to opportunities, regardless of their background. To this end, we exist to help young people make confident and informed decisions about their future.

The UK has one of the worst track records for social mobility in the developed world. The socio-economic situation you are born into affects your attainment, your progression into higher education, your chance of completing a university course and the career and salary you secure.

These inequalities have worsened since the pandemic with the gap between rich and poor widening for the first time in ten years. Research conducted in 2023 by The Sutton Trust through the COVID Social Mobility and Opportunities Study (COSMOS) found the following concerning trends in 16-year olds:<sup>1</sup>

- Disadvantaged high attainers had GCSE grades on average more than three quarters of a grade lower per subject than the grades of other high attainers, a full grade lower than those from the most affluent backgrounds, and are almost twice as likely to drop out of the top third of attainment at GCSE.
- 37% of disadvantaged high attainers feel they have fallen behind their classmates as a result of the pandemic's disruption, compared to 22% of other high attainers.

Even in 2023, 62% of people in professional jobs in England are from privileged backgrounds, compared to 39% from working class backgrounds. The most advantaged pupils were more than twice as likely to go into higher education as the most disadvantaged pupils in the UK.<sup>2</sup>

And in another report <sup>3</sup>published by COSMOS looking at the effect of the pandemic on young people's future plans and aspirations they found:

- Experiences of the COVID-19 pandemic had a strong bearing on young people's future plans. Of all those who had made education plans, almost two-thirds (64%) reported that their educational plans had changed (at least to some extent) because of the pandemic. Career plans were only slightly less likely to have been affected: three in five (60%) of those who had made plans had changed them as a result. Females, young people from disadvantaged family backgrounds, and those attending state comprehensive schools were more likely than their counterparts to report that they had changed their education and career plans due to the pandemic.

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<sup>1</sup><https://www.suttontrust.com/wp-content/uploads/2023/06/Social-Mobility-The-Next-Generation-Lost-Potential-Age-16.pdf>

<sup>2</sup> <https://lordslibrary.parliament.uk/report-of-the-social-mobility-commission-social-mobility-and-the-pandemic/>

<sup>3</sup> <https://cosmostudy.uk/publications/future-plans-and-aspirations>

- Disadvantaged students were less likely to receive information, advice and guidance (IAG) during the pandemic. Those who attended independent schools were significantly more likely to have accessed formal IAG activities: 86% of this group accessed at least one type of IAG activity while at school, compared to just under seven in ten (69%) across state comprehensive schools as a whole, and 67% at the schools with the highest levels of free school meal (FSM) eligibility.
- This cohort of young people continues to have large inequalities in their educational aspirations. Disadvantaged students were less likely to be planning to apply for university, had less confidence about getting into university, and were more likely to plan to do a vocational qualification. While 98% of participants who were privately educated and 92% of those who attended state grammar schools reported that they were likely to apply for university, only 68% of those attending state comprehensive schools say they plan to do so.

**At Brightside, we don't think this is fair, or the best use of the talent and skills of young people, and we believe we can be part of the solution.**

**At Brightside, we believe everyone should flourish and utilise their skills and talent to achieve their full potential, so we're working hard to close this gap, by helping young people to make confident and informed decisions about their education and career pathways.**

Following a report into the increased inequalities since COVID Pearson made three recommendations including 'the development of a high-level targeted mentoring scheme, the continued promotion of the vocational route as a valuable pathway, and a joined-up system which provides access to advice, career information and a way to match their skills with the opportunities on offer.'<sup>4</sup>

At Brightside, we have clear & robust evidence that our mentoring programmes offer young people from less advantaged backgrounds the support, motivation and confidence to succeed. Our mentees achieve 4.8 grades higher than their demographic peers (and even when accounting for prior attainment), are twice as likely to access higher education and crucially twice as likely to complete the course they have chosen.

**'Mentoring has opened me up to more options of what I would want to do and opened new doors for me'**  
Mentee, Spotlight Programme

**'My mentor was a big supporter and she had faith in me. I truly would not have been as successful as I was with applying to universities and achieving the grades I did, had it not been for the help my mentor had given me. I was truly able to grow and develop not only as a student but as a person through the mentoring experience.'**  
Mentee, Ashurst Programme

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<sup>4</sup><https://www.pearson.com/content/dam/one-dot-com/one-dot-com/uk/documents/campaigns/InequalityReport/Full-Pearson-Covid-Inequalities-Report-.pdf>.

## Overview

2023 provided a showcase moment for Brightside in the form of [our 20<sup>th</sup> anniversary](#). We spent the year celebrating by highlighting the impact of mentoring through powerful stories, bringing our robust impact findings to life. The pinnacle of our year of celebration was at an in-person awards ceremony, attended by over one hundred friends of Brightside. The highlight of the evening was hearing from our Youth Board who provided insights into their experiences and were strong advocates of the impact of role models in their lives.

It was a proud moment for all involved with Brightside past and present. Over the last 20 years Brightside has supported over 150,000 young people, 60% of whom were from the least advantaged regions of the country and through our innovative technology they have exchanged over four million messages.



On a more sombre note, the challenges created by the cost of living crisis continued and we needed to make some difficult decisions, particularly around the scaling of our Spotlight programme. Nonetheless, we were delighted to end the year strongly, securing two large grants one of which will enable us to develop Brightside Mentoring and support 1250 young people across Greater London and the second offers the opportunity to transform our online platform through automation.

## Key Activity

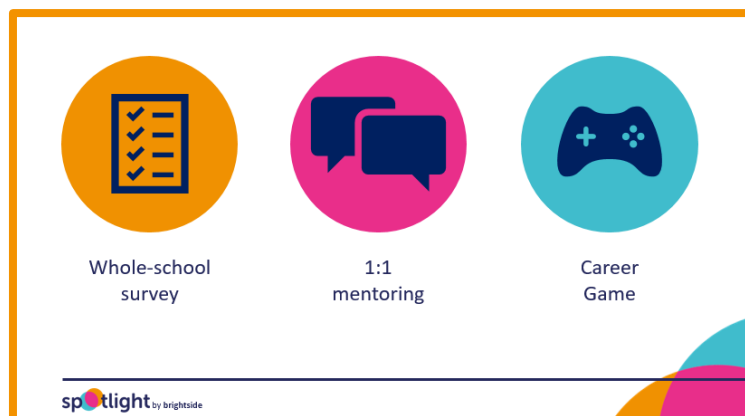
Alongside our 20<sup>th</sup> anniversary celebrations we have continued to deliver high quality, high impact programmes. In 2023/24 we have supported 5,658 young people through 125 projects. Project & partnership highlights include:

**Reaching Wider:** We launched the Welsh language version of our app and platform in partnership with Reaching Wider, allowing young people in Wales to communicate in their preferred language. The launch of this programme culminated in an event at the Senedd Cymru where we were invited to speak. This innovation has also enabled us to work in Welsh National College, Coleg Cymraeg Cenedlaethol which works with further education colleges, universities, organisations that offer apprenticeships, and employers to create opportunities to train and study in Welsh. They aim to create a Welsh and bilingual education and training system that is open to everyone and to develop a bilingual workforce

**The Graduate Engineer Employment Programme (GEEP):** We successfully tendered as part of consortia to deliver the mentoring arm of this flagship Royal Academy of Engineering Programme. The programme has recruited over 200 undergraduate students from backgrounds underrepresented in the engineering sector to undertake a twelve-month course which includes skills workshops, networking and placement opportunities all supported by a mentor working in their field of study.

**Spotlight:** This year represented the final year of the grant investment into Spotlight and despite the need to scale back Spotlight in light of budgetary constraints we are proud to have achieved the following over the last three years:

- Supported 42 schools with our embedded programme
- Analysed over 16,000 responses to our Spotlight survey, providing us (and their schools) with invaluable insights into the needs and gaps in young people's career aspirations
- Delivered the Career game to over 3,500 year 7-9 pupils
- Matched over 2,500 young people with inspirational role models



Our work would be impossible without the thousands of volunteers who continue to dedicate their time and energy to provide high quality mentoring to young people across the country. We are grateful for their commitment and will seek to improve their experience through investment in our technology and annual review of their feedback as way of thanks.

Finally we remain thankful to our partners who continue to choose to collaborate with us and grateful to have received grant funding from the Twilio Foundation, AKO Foundation, the Greater London Authority and The 29th May 1961 Charitable Trust.

### **Financial review**

The charity received income of £852,164 (2023: £804,343) in the year to 31 March 2024, a increase of 5.9% on the previous year. Expenditure, including direct project expenditure and running costs, totalled £1,077,408 (2023: £1,215,434) a decrease of 11.4%. Trustees recognised expenditure reductions made in year against the slight increase on income as responsible management of budgets in the circumstances. As the charity continues to transition to new income and delivery models the trustees agreed that more substantial expenditure cuts would be damaging to the mission. The Finance & Risk sub-committee will continue to monitor progress through the year.

### **2024/25 Forecast**

By 2028 we aim to have transformed Brightside so that we can reach 30,000 young people each year with high quality, high impact support, empowering them to believe in themselves and transform society for the better.

To meet this ambitious goal, we are making fundamental changes to our approach both programmatically and financially, and the changes initiated in 2023/24 will continue at pace in 2024/2025:

1. Brightside mentoring: We will deliver a proof of concept mentoring programme across greater London to support young people directly.
2. Spotlight: We will continue to evolve our schools programme, adapting it to meet the needs of schools and their pupils in areas.
3. Automation through transformation: We will continue to develop our technology, incorporating video mentoring into our pedagogy and transforming user experience into a more personalised, focused journey.
4. Campaign to highlight the concerns of young people: We will use the voices of the young people we have supported through Spotlight to tell those in places of influence about the areas they worry about most.

While the external environment is likely to continue to impact our short-term projections, in 24/25 we continue to seek out new and innovative ways to build Brightside's long-term ability to support young people.

### **Governance**

The five board subcommittees continue to add value (Finance & Risk, Impact & Measurement, People, Technology, and a Youth Board liaison committee). They are providing the space and time to challenge and support the executive team in 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 to the full board each quarter, where key decisions are made.

In January 2025, our current Chair, Stuart Payne, will stand down and retire from the Board. Trustees have delegated recruitment to a panel of four trustees, chaired by Treasurer Rose Edmunds and in consultation with the exec team. In line with best practice a full and fair recruitment process is under way, inviting applications both internally and externally.

### **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 between six and nine months unrestricted expenditure. The trustees consider that this level will ensure the short-term financial sustainability of the organisation and that existing obligations to beneficiaries can be met, irrespective of changes to income. In addition, this includes sufficient cash to fund any short-term working capital requirements.

The charity has two restricted reserves at year end totalling £132,762, for the grant funding from Twilio Foundation and the Greater London Authority. Additionally, there are £479,768 of designated reserves. This leaves net unrestricted funds of £916,077 (2023: £1.209m). 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**

During the year, Brightside did not actively solicit donations from the public and was therefore not registered with the Fundraising Regulator. As the charity examines new avenues for fundraising, the trustees will review the position regularly and ensure that the appropriate due diligence is followed to ensure compliance with appropriate fund-raising codes of practice.

Should donations from individuals be received, the charity 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:

A handwritten signature in black ink, appearing to read 'R Edmunds', written in a cursive style.

R Edmunds

Trustee

Date: 8th November 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 2024 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 2024 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](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.



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.

13 November 2024

**Statement of financial activities** Year to 31 March 2024

		Year ended 31 March 2024 Unrestricted funds £	Year ended 31 March 2024 Restricted funds £	Year ended 31 March 2024 Total funds £	Year ended 31 March 2023 Unrestricted funds £	Year ended 31 March 2023 Restricted funds £	Year ended 31 March 2023 Total funds £
	Notes						
<b>Income from:</b>							
Grants and donations	1	114	195,993	196,107	767	60,000	60,767
Charitable activities	1	623,574	28,436	652,010	736,557	6,039	742,596
Investments	1	4,047	—	4,047	980	—	980
<b>Total income</b>		<b>627,735</b>	<b>224,429</b>	<b>852,164</b>	<b>738,304</b>	<b>66,039</b>	<b>804,343</b>
<b>Expenditure on:</b>							
Charitable activities:	2						
Direct projects and administrative support		(837,015)	(240,393)	(1,077,408)	(950,845)	(264,589)	(1,215,434)
<b>Total expenditure</b>		<b>(837,015)</b>	<b>(240,393)</b>	<b>(1,077,408)</b>	<b>(950,845)</b>	<b>(264,589)</b>	<b>(1,215,434)</b>
<b>Net expenditure before gains/(losses) on investments</b>		<b>(209,280)</b>	<b>(15,964)</b>	<b>(225,244)</b>	<b>(212,541)</b>	<b>(198,550)</b>	<b>(411,091)</b>
Gains/(losses) on investments	3	155,817	—	155,817	(88,590)	—	(88,590)
<b>Net (deficit) for the year and net movement in funds before transfers</b>		<b>(53,463)</b>	<b>(15,964)</b>	<b>(69,427)</b>	<b>(301,131)</b>	<b>(198,550)</b>	<b>(499,681)</b>
Transfers between funds	11	(20,000)	20,000	—	(45,921)	45,921	—
<b>Net movement in funds</b>		<b>(73,463)</b>	<b>4,036</b>	<b>(69,427)</b>	<b>(347,052)</b>	<b>(152,629)</b>	<b>(499,681)</b>
Total funds brought forward		1,469,308	128,726	1,598,034	1,816,360	281,355	2,097,715
<b>Total funds carried forward</b>	11	<b>1,395,845</b>	<b>132,762</b>	<b>1,528,607</b>	<b>1,469,308</b>	<b>128,726</b>	<b>1,598,034</b>

There are no other recognised gains and losses other than those shown in the Statement of Financial Activities.

All income and expenditure in each of the above two years derive from continuing activities.

## Balance sheet 31 March 2024

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Investments	3	1,199,217	1,348,435
Intangible assets	5	133,146	142,723
Tangible fixed assets	6	2,156	7,388
		<b>1,334,519</b>	1,498,546
<b>Current assets</b>			
Cash at bank and in hand		301,719	222,823
Debtors	7	199,576	247,340
		<b>501,295</b>	470,163
<b>Creditors:</b> amounts falling due within one year	8	<b>(307,207)</b>	(370,675)
<b>Net current assets</b>		<b>194,088</b>	99,488
<b>Net assets</b>		<b>1,528,607</b>	1,598,034
<b>Charity funds</b>			
Unrestricted funds		1,395,845	1,469,308
Restricted funds		132,762	128,726
<b>Total funds</b>	11	<b>1,528,607</b>	1,598,034

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

*R Edmunds*

R Edmunds

Trustee

Date: 08 November 2024

Charity Number: 1159993

## Statement of cash flows 31 March 2024

	2024 £	2023 £
<b>Net cash used in operating activities</b>		
Net (deficit) for the year	(69,427)	(499,681)
(Gain)/loss on changes in fair value of investments	(155,817)	88,590
Decrease/(increase) in debtors	47,764	(32,622)
(Decrease) in creditors	(63,468)	(23,082)
Depreciation	5,232	5,851
Amortisation	72,577	71,942
	<u>(163,139)</u>	<u>(389,002)</u>
<b>Cash flow from investing activities</b>		
Proceeds from sale of investments	305,035	103,884
Purchase of tangible fixed assets	—	(2,683)
Purchase of intangible fixed assets	(63,000)	(73,500)
<b>Net cash provided by investing activities</b>	<u>242,035</u>	<u>27,701</u>
<b>Change in cash and cash equivalents</b>	<b>78,896</b>	<b>(361,301)</b>
Cash and cash equivalents brought forward	222,823	584,124
<b>Cash and cash equivalents carried forward</b>	<u><b>301,719</b></u>	<u>222,823</u>

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

	2024 £	2023 £
Cash at bank and in hand	301,719	222,823
<b>Total cash and cash equivalents</b>	<u><b>301,719</b></u>	<u>222,823</u>

### **Legal information**

The Brightside Trust is a Charitable Incorporated Organisation (Charity no. 1159993) and the registered office is CAN Mezzanine, 7-14 Great Dover Street, London, SE1 4YR.

The Trust 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.

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 entity 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 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 Trust.

## 1. Income

	2024 Unrestricted £	2024 Restricted £	2024 Total £	2023 Total £
<b>Charitable activities</b>				
Online Mentoring activity	623,574	28,436	652,010	742,596
<b>Grants and donations</b>				
Grants	—	195,993	195,993	60,000
Donations	114	—	114	767
	114	195,993	196,107	60,767
<b>Investments</b>				
Bank interest	4,047	—	4,047	980
<b>Total income for the year</b>	<b>627,735</b>	<b>224,429</b>	<b>852,164</b>	<b>804,343</b>

Included within “Online mentoring activity” is £nil (2023: £1,085) of income from the government Kickstart Scheme.

## 2. Expenditure on charitable activities

	2024 £	2023 £
Direct project expenses	103,280	124,787
Payroll expenses – direct project work	504,882	578,328
<b>Support costs</b>		
Payroll expenses – administrative	274,270	311,407
Travel & accommodation	14,033	15,856
Overhead and support costs – charitable activities	126,058	127,646
Office Costs	10,672	24,184
IT/ Phone/ Internet Costs	14,179	16,621
Other Services	15,959	—
Auditors’ remuneration (governance costs):		
Audit services	13,650	13,560
Tax compliance services	425	1,200
Other services	—	1,845
<b>Expenditure before grants payable</b>	<b>1,077,408</b>	<b>1,215,434</b>
<b>Total expenditure</b>	<b>1,077,408</b>	<b>1,215,434</b>

Included across “payroll expenses” and “support costs” is £209,768 relating to the Spotlight restricted funds (2023 - £264,589) and £30,625 relating to the Propel fund (2023 - £nil).

## 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.

## 3. Investments

	Fixed asset investments 2024 £
Opening market value	1,348,435
Disposal of investments at opening market value	(295,479)
Gain on the market value of investments	146,261
<b>At 31 March 2024 at market value</b>	<b>1,199,217</b>
Realised gain on disposal of investment assets	9,556
Unrealised gain on changes in the market value of investments	146,261
	<b>155,817</b>
<b>Analysis of investments</b>	
Unit trust	<b>1,199,217</b>
	Fixed asset investments 2023 £
Opening market value	1,540,909
Disposal of investments at opening market value	(109,595)
Loss in the market value of investments	(82,879)
<b>At 31 March 2023 at market value</b>	<b>1,348,435</b>
Realised loss on disposal of investment assets	(5,711)
Unrealised loss on changes in the market value of investments	(82,879)
	<b>(88,590)</b>
<b>Analysis of investments</b>	
Unit trust	<b>1,348,435</b>

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 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 £
<b>Cost</b>	
At 1 April 2023	759,135
Additions	63,000
At 31 March 2024	<u>822,135</u>
<b>Amortisation</b>	
At 1 April 2023	616,412
Provided in the year	72,577
At 31 March 2024	<u>688,989</u>
<b>Net book value</b>	
At 31 March 2024	<u>133,146</u>
<b>Net book value</b>	
At 31 March 2023	<u>142,723</u>

The Brightside Trust 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.

## 6 Tangible fixed assets

	Computers £	Total £
<b>Cost</b>		
At 1 April 2023	22,269	<b>22,269</b>
At 31 March 2024	<u>22,269</u>	<u><b>22,269</b></u>
<b>Depreciation</b>		
At 1 April 2023	14,881	<b>14,881</b>
Charge for the year	5,232	<b>5,232</b>
At 31 March 2024	<u>20,113</u>	<u><b>20,113</b></u>
<b>Net book value</b>		
At 31 March 2024	<u>2,156</u>	<u><b>2,156</b></u>
<b>Net book value</b>		
At 31 March 2023	<u>7,388</u>	<u><b>7,388</b></u>

## 7. Debtors

	2024 £	2023 £
Trade debtors	<b>83,483</b>	173,677
Prepayments	<b>7,391</b>	10,608
Accrued income	<b>108,702</b>	63,055
	<u><b>199,576</b></u>	<u>247,340</u>

## 8. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	<b>22,336</b>	17,303
Other taxes and social security	<b>31,835</b>	73,753
Accruals	<b>26,651</b>	25,416
Other creditors	<b>7,710</b>	9,379
Deferred income	<b>218,675</b>	244,824
	<u><b>307,207</b></u>	<u>370,675</u>

## 9. Financial instruments

	2024 £	2023 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	<b>493,904</b>	459,555
Financial assets measured at fair value through profit or loss	<b>1,199,217</b>	1,348,435
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(45,040)</b>	(42,719)

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

	2024 £	2023 £
Salaries	<b>674,187</b>	787,745
Termination Payments	<b>23,481</b>	—
Social security costs	<b>62,306</b>	79,831
Pension costs	<b>19,178</b>	22,159
	<b>779,152</b>	889,735
The average weekly number of employees during the year	<b>17</b>	23

Two employees received remuneration amounting to more than £60,000 (two employees in 2023) with two in the bracket of £60,001 - £70,000 (2023 – one employee in the bracket of £60,001 - £70,000 and one in the bracket £70,001 - £80,000).

£23,481 of termination payments were made to 3 members of staff.

The trustees do not receive remuneration from the charity.

No trustees received payments or reimbursements of expenses from the charity in the year (2023: Three trustees received payments or reimbursements of expenses from the charity totalling £712).

The total aggregate remuneration (including employer's pension and national insurance contributions) of key management personnel during the year was £148,337 (2023: £168,020). In addition to the trustees, who are not remunerated, key management are the CEO and the COO.

## 11. Funds and reserves

	Un-restricted funds £	Designated Funds	Restricted funds			Total funds £
		Operational funds £	Twilio £	Digital Impact funds/ Propel £	Spotlight funds £	
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)
<b>As at 1 April 2023</b>	<b>1,209,750</b>	<b>259,558</b>	<b>—</b>	<b>—</b>	<b>128,726</b>	<b>1,598,034</b>
Transfers In	—	318,019	—	—	20,000	338,019
Transfers Out	(318,019)	(20,000)	—	—	—	(338,019)
Income	627,735	—	77,887	85,500	61,042	852,164
Expenditure	(759,206)	(77,809)	—	(30,625)	(209,768)	(1,077,408)
Gain on Investment	155,817	—	—	—	—	155,817
<b>As at 31 March 2024</b>	<b>916,077</b>	<b>479,768</b>	<b>77,887</b>	<b>54,875</b>	<b>—</b>	<b>1,528,607</b>

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

The charity has unrestricted funds of £916,077 (2023: £1.2m) which is around 9 months operational expenditure of the group.

There were also designated funds of £479,768 at 31 March 2024. During the year, trustees reviewed and designated them to a Technology, Security and Development reserve to support long term sustainability. At year end these funds comprise:

- ◆ £400,000 for Technology and Advancement funds
- ◆ £79,768 to build video mentoring capability in FY24/25

There are three restricted funds in the year:

- ◆ A restricted fund from Twilio
- ◆ A restricted fund from the Greater London Authority
- ◆ The Spotlight restricted fund has a balance of £nil at year end.

## 12 Contingent liabilities

There were no contingent liabilities to disclose at 31 March 2024 or 31 March 2023.

## 13 Capital commitments

The group and the parent charity has no capital commitments at 31 March 2024 (2023: £nil).

**14 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.