



SCIO: SC045816

MCR Pathways
Financial Accounts
For the Year ended 5th April 2024

MCR Pathways
Report of the Trustees
For the year ended 5th April 2024

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MCR Pathways

Report of the Trustees

For the year ended 5th April 2024

The trustees present the annual report together with the audited financial statements for the year ended 5th April 2024.

The charity trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

ORGANISATION

MCR Pathways (MCR) is a Scottish Charitable Incorporated Organisation (SCIO) recognised by the Scottish Charity Regulator OSCR, registration number SC045816. It is governed by its constitution which was adopted on 20th July 2015.

OBJECTIVES AND ACTIVITIES

MCR Pathways delivers school based mentoring and talent development programmes supporting those in or on the edges of the care system to realise their full potential through education. The initial project was set up in one school in Glasgow in 2007. A commitment to extend and embed in all secondary schools in Glasgow resulted in the registration of MCR Pathways (MCR) as an independent charity on the 20th July 2015 and from that point we have grown to the point where we were in 113 schools throughout Scotland and 18 in Southeast England as at 5th April 2024.

MCR's **vision, mission and values** continue to guide its activities at all times:

Vision - an equality of education outcomes, career opportunities and life chances for young people in or on the edges of the care system relative to any other young person.

Mission - providing schools based mentoring and Talent Taster opportunities for young people to find, grow and use their talents through education, learning and experience.

Values - exceptional and consistent levels of **Motivation, Commitment and Resilience**.

ACHIEVEMENTS AND PERFORMANCE

2023/24 has again been a difficult year for the World and UK economies with the impact of the cost-of-living crisis following Brexit, Covid and Ukraine war all playing heavily on consumer spending but most acutely government spending and local government spending. MCR Pathways has however continued to deliver on its promises and reach ever-more young people who need our support in spite of these financial pressures. In total by the year end MCR had established trusting relationships and support for 4,664 young people supported by personalised mentors, 1,800 young people supported by group work and 1,400 young people supported before being mentored.

Following the successful re-introduction of full face to face mentoring as opposed to the hybrid/virtual approach we temporarily adopted during the COVID-19 restrictions, we can attest to hugely successful matching and ongoing relationships taking place. Our young person survey results again show that face to face, one to one mentoring increases young people's wellbeing, self-esteem and confidence.

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For the year ended 5th April 2024

The success of the programme is also evident in the educational outcomes from young people who have been involved with the programme. The three key performance indicators being: Staying on in school rates, Attainment and post school Destinations. The results for the year remain extremely positive with our Care Experienced mentored young people outperforming their non-mentored counterparts in every key measure recorded.

An example of this shows that 82.9% of MCR mentored and care experienced young people progressed to the higher level of positive destinations of college, University and employment. This contrasts with the national level of care experienced young people, as adjusted to exclude MCR cohort, and calculated to be 69.1%.

Equally inspiring is the reality that 89.8% of MCR Care experienced young people achieved at least one qualification at National 5 level, compared to the national level where only 65.7% achieved that success.

The expansion into England and more specifically at this stage Southeast England continues to be dynamic. We received from The New Deal For Young People through The Mayor Of London Fund a grant of £245,000 over 2 years to help fund our programme in London Boroughs. The programme in Hertfordshire continues to make significant impact, as does the programme in Surrey. We are also hugely grateful to various funders whose grant funding has been earmarked to assist our expansion into England.

Partners and Volunteers and Charitable Giving

Charitable giving is projected to become a major source of our funding over the next two years as Government contracts and Service Level Agreements (SLA's) continue to be squeezed. We aim to continue servicing SLA's and indeed to work more closely with Skills Development Scotland, amongst others, to provide an ever more enhanced positive outcome post school for our young people. We are also however cognizant that in 2023 UK charitable giving was £13.9 billion, up by £1.2 billion on 2022 (From the Charities Aid Foundation (CAF) March 2024 UK Giving report). We are therefore investing in a "world-class" fund-raising programme to ensure that with both strategies we can continue to grow our essential service throughout the UK. We remain hugely indebted to both Government supporters and the funders who have to date helped us to realise our achievements and we hope and trust will continue to do so.

Volunteers, or more specifically mentors are also a crucial aspect of the programme and continue to be our lifeblood as evidenced by our year end survey which showed that:

- 83% Of MCR Care experienced young people stated that having a mentor improved their confidence.
- 83% Said that it helped them to understand their talents and strengths.
- 85% Said that it helped them to believe in themselves more.
- 86% Said that it supported them in identifying goals.
- 93% Said that it has helped them to build trust.
- 95% Said that their mentor was a good role model.

We continue to be extremely proud of the diverse range of volunteers the programme attracts, and we are incredibly grateful to local authorities, corporate parents, businesses, and community groups for supporting our mentor recruitment. In the past year we have developed and improved our systems and processes to create partnerships that will support us in recruiting volunteer mentors. These improvements will be vital as we seek to build the programme further. We are also seeking to ensure our partners gain recognition for their support and also added value through our corporate partner programme and by offering training which provides life skills.

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To increase the appeal of mentoring to our corporate partners we have developed a leadership course which works in harmony with mentoring. The course has been designed for those in, or aspiring to, leadership roles who want to gain or develop existing skills, knowledge and best practice.

We recognise the importance of ensuring that our volunteers are adequately trained and supported to mentor young people. In the last year we have re-developed our mentor training programme and increased the resources available to our mentors. The feedback of these improvements has been overwhelmingly positive and the extra confidence this has given our mentors will benefit the young people.

We wish to express our deep gratitude to each mentor for the life changing difference they make to their young person and for their commitment. It has been a privilege for the MCR team to serve and work with them.

We also take this opportunity to thank our funders and sponsors without whom we also simply would not exist. As we continue to grow the programme and provide the individual and societal impact we envisage and plan we will continue to seek support from past partners but also from new sources to ensure our aims are adequately met.

FINANCIAL REVIEW

The charity generated a surplus of £1,989,793 for the year ended 5 April 2024 (2023 : surplus £199,724). During 2023/24 the Scottish Government changed the basis of its annual award to MCR Pathways to bring it in line with standard Government finance practice. In prior years the award was made in advance but from 2023/24 the award will now be made on the basis of actual spend each quarter. As a result, the 2023/24 financial statements of Pathways reflect elements of both the 2022/23 and the 2023/24 awards from Scottish Government with a consequential one-off increase in income for the year.

At the Balance Sheet date reserves were £4,455,985 (2023: £2,466,192) with £3,276,935 of these being unrestricted (2023: £2,466,192). The expenditure levels of MCR are in line with expectations as we go through various expansion phases. The management and trustees of MCR utilise tight financial controls to ensure that all funding raised is used for the benefit of the young people we support. No trustee received remuneration for their services to MCR.

Reserves

It is the policy of MCR to maintain unrestricted funds, which are free reserves for the charity, at a level equivalent to twelve months expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Based on the accounts for the year ended 5th April 2024, ordinary expenditure for twelve months amounts to £3,068,527. At the Balance sheet date, the charity held unrestricted reserves of £3,276,935 which represents 12.8 months expenditure. We will continue to monitor our unrestricted reserves balance and where appropriate seek additional funding and support whilst maintaining appropriate cost control measures in order to achieve our goal of maintaining twelve months available funding for ongoing operations and future expansion.

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Risk Management

MCR is not a risk averse organisation, and it recognises that certain risks need to be taken if its programme is going to reach all relevant young people in Scotland and beyond. MCR invests in staff training and recognises the need to continually invest in its services while diversifying income sources to reduce dependence on any single stream of income. Any risks associated with our income streams are mitigated by multi year contracts with schools, local authorities and Government bodies, together with ensuring that our relationships with funders remain strong.

MCR's long term objective is to ensure that its programme becomes embedded in secondary education systems, with all schools and local authorities embracing the programme and dedicating resources to its continued success. There is risk associated with the maintenance and monitoring of the programme following its full adoption by government agencies and MCR is committed to managing this risk in order to secure the long term success of the programme.

MCR has a full risk register which is reviewed continually by the executive team and quarterly by The Trustee's.

Going Concern

The trustees have reviewed the charity's financial forecasts including the impact of the current economic and inflationary pressures. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees are of the opinion that the charity is a going concern and the financial statements have been prepared on this basis. Further details are provided in the going concern accounting policy.

MCR Pathways Report of the Trustees

For the year ended 5th April 2024

Structure, Governance and Management

MCR is governed by a Board of Trustees. It is a single tier SCIO with all members being trustees. As part of our expansion process, the charity has created a Young National Advisory Board of young people who have experienced the programme and will input to its continual development. In addition an Advisory Board has been set up, which includes some of Scotland's most experienced figures in business, the public sector, education and the third sector. Both groups will provide advice on the MCR model and on its sustainability over the long term.

The executive management team continues to be expanded in quality and experience to meet with the growth and development plans.

Appointment of Trustees

The trustees seek to follow good practice and ensure that there is a broad and diverse mix of skills and experience within their number. The trustees keep succession planning under review and when needed seek to recruit new trustees based on their skill, experience and knowledge of the sector. To help facilitate the national ambition for both the Scottish and English education systems, and to ensure diverse representation of the demographics and communities we serve, additional trustees are being sought.

Trustee Induction Process

On appointment, new trustees will be provided with a welcome pack including a history of the charity, charity accounts, constitutional documents, a note on trustee duties and any other Codes of Conduct applicable at that time.

Pay Policy for Senior Staff

The remuneration of our employees on our executive team is decided by the trustees who also maintain oversight of all employee remuneration.

Controls

The Board of Trustees is the governing body of MCR and is responsible for the charity's internal financial controls. The current system of controls aims to give the Board reasonable assurance that issues are identified as they arise and are dealt with in an effective and timely manner.

Future Plans

MCR Pathways intends to continue its expansion with a future goal of supporting 10,000 young people in the UK. We will continue to share the model and engage in dialogue with additional local authorities and schools to ensure the programme is adopted where it is most needed and make relationship focused mentoring an educational right for all care-experienced young people. We will also continue to develop our "world class" fund raising strategy to ensure as many care experienced young people are reached as possible.

MCR Pathways
Report of the Trustees
For the year ended 5th April 2024

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in Scotland, the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations of the 2006 and the provisions of the charity's constitution requires the trustees to prepare financial statements for each financial year 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been subject to any material departures being disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006, and the provisions of the charity's constitution. 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.

DISCLOSURE OF INFORMATION TO AUDITOR

It is the trustees assessment that all necessary steps have been taken to ensure that the auditor has been made aware of all relevant audit information and as such there is no relevant audit information which the auditor has not been made aware of.

AUDITOR

The auditor, French Duncan LLP trading as AAB, has indicated their willingness to continue in office. The charity trustees will propose a motion reappointing the auditor at a meeting of the charity trustees.

Approved by the trustees on ~~19 December 2024~~ and signed on their behalf by:


.....
, Chair & Trustee

MCR Pathways

Independent Auditor's Report to the Trustees of MCR Pathways

Opinion

We have audited the financial statements of MCR Pathways (the charity) for the year ended 5 April 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2024 and of the charity's incoming resources and application of resources, 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 and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in preparation of the financial statements 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 financial statements 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

MCR Pathways

Independent Auditor's Report to the Trustees of MCR Pathways

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for audit.

Responsibilities of trustees

As explained more fully in the Trustees Responsibilities Statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act and report in accordance with regulations made under the Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

MCR Pathways

Independent Auditor's Report to the Trustees of MCR Pathways

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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our charity sector knowledge;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities and Trustee Investment (Scotland) Act 2005, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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.

MCR Pathways Independent Auditor's Report to the Trustees of MCR Pathways

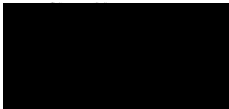
Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.


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. The 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 regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.




(Senior Statutory Auditor)
for and on behalf of French Duncan LLP
Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 20 December 2024

French Duncan LLP trading as AAB is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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**Statement of Financial
Activities for the year ended
5th April 2024**

		2024	2023		
	Restricted	Unrestricted	Total		
	funds	funds	funds		
Notes	£	£	£		
		Total	Total		
		funds	funds		
		£	£		
INCOME AND ENDOWMENTS FROM:					
Donations and Legacies	2	-	14,726	14,726	16,873
Charitable activities	3	2,977,044	1,905,970	4,883,014	3,142,631
Investments	4	-	160,580	160,580	35,703
Total Income		<u>2,977,044</u>	<u>2,081,276</u>	<u>5,058,320</u>	<u>3,195,207</u>
EXPENDITURE ON:					
Charitable activities	5	1,797,994	1,270,533	3,068,527	2,995,483
Total Expenditure		<u>1,797,994</u>	<u>1,270,533</u>	<u>3,068,527</u>	<u>2,995,483</u>
Net income and expenditure		1,179,050	810,743	1,989,793	199,724
Transfers between funds		-	-	-	-
Net movement in funds		<u>1,179,050</u>	<u>810,743</u>	<u>1,989,793</u>	<u>199,724</u>
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	2,466,192	2,466,192	2,266,468
Total funds carried forward		<u>1,179,050</u>	<u>3,276,935</u>	<u>4,455,985</u>	<u>2,466,192</u>

The notes on pages 16 to 25 form part of these financial statements



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Balance Sheet
As at 5th April 2024

		2024	2023
		Total	Total
		funds	funds
	Notes	£	£
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	777,121	164,448
Cash at bank		6,253,872	6,783,005
Total current assets		<u>7,030,993</u>	<u>6,947,453</u>
LIABILITIES			
Creditors: amounts falling due within one year	11	2,575,008	4,481,261
NET CURRENT ASSETS		<u>4,455,985</u>	<u>2,466,192</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,455,985</u>	<u>2,466,192</u>
NET ASSETS		<u>4,455,985</u>	<u>2,466,192</u>
THE FUNDS OF THE CHARITY:			
Unrestricted Fund	13	3,276,935	2,466,192
Restricted Fund	13	<u>1,179,050</u>	<u>-</u>
TOTAL CHARITY FUNDS		<u>4,455,985</u>	<u>2,466,192</u>

The financial statements were approved by the Board of Trustees on 19 December 2024

signed on its behalf by:

DocuSigned by:



.....
 - Chairman and Trustee

The notes on pages 16 to 25 form part of these financial statements.

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Cash Flow Statement
for the year ended 5th April 2024

	2024	2023
	£	£
Cash flows from operating activities		
Cash generated from operations	(689,713)	1,998,099
Net cash provided by operating activities	<u>(689,713)</u>	<u>1,998,099</u>
Cash flows from investing activities		
Interest Received	160,580	35,703
Net cash provided by investing activities	<u>160,580</u>	<u>35,703</u>
Change in cash and cash equivalents in the reporting period	(529,133)	2,033,802
Cash and cash equivalents at the beginning of the reporting period	6,783,005	4,749,203
Cash and cash equivalents at the end of the reporting period	<u><u>6,253,872</u></u>	<u><u>6,783,005</u></u>
Reconciliation of Net Income to Net Cash Flow from Operating Activities		
Net income per statement of financial activities	1,989,793	199,724
(Increase)/ decrease in debtors	(612,673)	1,182,974
Interest received	(160,580)	(35,703)
(Decrease)/ increase in creditors	(1,906,253)	651,104
	<u>(689,713)</u>	<u>1,998,099</u>
Analysis of cash and cash equivalents		
Cash in Hand	100	100
Bank Accounts	<u>6,253,772</u>	<u>6,782,905</u>
	<u><u>6,253,872</u></u>	<u><u>6,783,005</u></u>

Analysis of changes in net debt	As at 6 th April	Cashflows	As at 5 th April
	2023		2024
Cash at Bank and in Hand	<u>6,783,005</u>	<u>(529,133)</u>	<u>6,253,872</u>

The notes on pages 16 to 25 form part of these financial statements.

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Notes to the Financial Statements for the Year Ended 5th April 2024

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to these financial statements.

Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with The Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)" and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The financial statements have been prepared under the historical accounting convention.

Going Concern

The school mentoring project fee income MCR Pathways receives is moving towards being funded equally by the Scottish Government in partnership with Local Authorities. In addition to this and with expansion into England, MCR is dependent on income from donors, grant givers and other supporters to ensure its objectives continue to be achieved for the longer term. The trustees have reviewed and updated forecasts and cash flows also taking into account the transition from Local Authority funding to Scottish Government funding, the good relationships with Scottish Government, Councils and its funders mean there are no reasons to believe that this will not continue in the current and future years. After taking all these factors into account, together with the residual impact of Covid 19, current economic conditions and inflationary pressures, the trustees are of the opinion that MCR Pathways has and will have adequate financial resources to continue its activities for at least 12 months from the date the accounts are approved and hence the accounts are prepared on a going concern basis.

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Notes to the Financial Statements – continued for the Year Ended 5th April 2024

Income Recognition

All income is recognised once the charity has entitlement to the income, there is sufficient certainty of receipt and so it is probable that the income will be received, and that the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received but not expended during the period is shown in the relevant fund on the Balance Sheet. Where income is received in advance of entitlement, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. Where grants include performance conditions, income is recognised to the extent that the performance conditions have been met.

Donations to the charity are recognised when they have been communicated to the charity in writing containing both the amount and the settlement date.

Investment income is dealt with by reference to the due date of payment. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure Recognition

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives as well as any associated support costs.

Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

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**Notes to the Financial Statements – continued
for the Year Ended 5th April 2024**

Funds

The charity maintains unrestricted funds which can be used in accordance with its charitable objectives at the discretion of the trustees. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Debtors

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

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advance payments for the goods or services it must provide.

Pension

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

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**Notes to the Financial Statements – continued
for the Year Ended 5th April 2024**
Charitable Activities

Cost of charitable activities include grants and donations made and support costs, including governance costs.

Financial Instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at settlement value.

Taxation

The charity is exempt from tax on its charitable activities, to the extent that such income or gains are applied exclusively to charitable purposes.

Critical accounting estimates and areas of judgement

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires the charity trustees to exercise judgement in applying the charity's accounting policies. The charity trustees have reviewed these and concluded there are no areas requiring a higher degree of judgement, or complexity, and no areas where assumptions or estimates are most significant to the financial statements.

2. DONATIONS AND LEGACIES

	2024	2023
	£	£
Donations	<u>14,726</u>	<u>16,873</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
	Total	Total
	Funds	Funds
	£	£
School based mentoring programme fees	3,598,165	1,748,306
Grants	<u>1,284,849</u>	<u>1,394,325</u>
	<u>4,883,014</u>	<u>3,142,631</u>

Grants received, included in the above, are as follows

DYW	6,494	317,336
The Robertson Trust	75,156	112,950
Life Changes Trust	75,156	112,950
Impetus	180,000	198,000
Hunter Foundation	485,371	215,864
Coldstones	200,004	200,000
Gannochy Trust	108,920	31,667
Get Online	-	18,058
J P Morgan	87,498	87,500
Dunlossit and Islay	-	100,000
C, D and R	56,250	-
Social Justice Award	<u>10,000</u>	<u>-</u>
	<u>1,284,849</u>	<u>1,394,325</u>

Included in income from Charitable activities is restricted income of £2,977,044 (2023 £31,667)



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**Notes to the Financial Statements – continued
for the Year Ended 5th April 2024**

4. INVESTMENT INCOME	2024	2023
	£	£
Bank Interest	160,580	35,703
	<hr/>	<hr/>

5. CHARITABLE ACTIVITIES COSTS	2024	2023
	£	£
Expenditure on school based mentoring programme – Note 6	2,623,039	2,337,262
Support costs – Note 7	445,488	658,221
	<hr/>	<hr/>
	3,068,527	2,995,483

Included in expenditure from charitable activities is restricted expenditure of £1,797,994 (2023: £31,667)

6. EXPENDITURE ON SCHOOL BASED MENTORING PROGRAMME

	2024	2023
	£	£
Staff Costs		
Central Departments		
(Mentor Services, Mentor Support Senior Management & Governance, Finance)		
Staff salaries, consultancy fees & pension	1,107,145	886,589
Travel	56,286	36,174
School Teams		
Aberdeen, Edinburgh, North Ayrshire, South Lanarkshire, West Dunbartonshire, Clackmannanshire, Perth & Kinross, Highland, Dundee, Fife, Falkirk, Inverclyde & Hertfordshire		
Staff salaries, consultancy fees & pension	1,389,828	1,386,857
Travel	69,780	27,642
	<hr/>	<hr/>
	2,623,039	2,337,262
	<hr/>	<hr/>



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Notes to the Financial Statements – Continued for the Year Ended 5th April 2024

7. SUPPORT COSTS	2024	2023
	£	£
Digital Platforms, Support & CPD		
Staff salaries, consultancy fees & pension	162,524	171,220
Website, internet & computer software including Covid support	82,645	87,499
General Operational Costs		
Including: Marketing campaigns & events, telephones, repairs, equipment, professional fees, consultancy, insurances & stationery & other sundry costs	187,307	388,345
Bank charges	514	117
Audit Fees	12,498	11,040
	<u>445,488</u>	<u>658,221</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5th April 2024 (2023 : Nil)

Trustees' Expenses

There were no trustees' expenses paid in the year 5th April 2024 (2023 : Nil)

9. STAFF COSTS	2024	2023
	£	£
Wages & Salaries	2,385,235	2,176,656
Social Security Costs	222,133	204,755
Other pension costs	<u>52,117</u>	<u>47,370</u>
	<u>2,659,485</u>	<u>2,428,781</u>

The average number of employees during the year ended 5 April 2024:	2024	2023
Office and Project Staff (FTE)	91	92

There was 1 employee whose remuneration was in the bracket £70,000-£80,000 during the year (2023: between £60,000 - £70,000) The charity considers its key management personnel comprise of the charity trustees and the executive team. The total employment benefits including employers pension contributions of the key management personnel were £79,809 (2023: £129,144)

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**Notes to the Financial Statements –
Continued for the Year Ended 5th April 2024**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade Debtors	165,000	151,000
Accrued Income	595,000	-
Prepayments	<u>17,121</u>	<u>13,448</u>
	<u>777,121</u>	<u>164,448</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade Creditors	10,740	26,052
HM Revenue & Customs (PAYE, NIC, Pension & Student Loan)	64,470	68,607
Accruals	75,065	27,740
Accruals relating to School Based Mentoring Programme	-	-
Deferred Income	2,312,853	4,247,635
Other Creditors	<u>111,880</u>	<u>111,227</u>
	<u>2,575,008</u>	<u>4,481,261</u>

Deferred income comprises income received for projects which MCR Pathways was not entitled to in the year 2023/24.

	2024	2023
	£	£
At 6 th April 2023	4,247,635	3,482,207
Deferred in year	2,755,000	3,735,000
Released in year	<u>(4,689,782)</u>	<u>(2,969,572)</u>
At 5 th April 2024	<u>2,312,853</u>	<u>4,247,635</u>

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**Notes to the Financial Statements –
Continued for the Year Ended 5th April 2024**

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2024	2023
	Total	Total
	funds	funds
	£	£
Current assets	7,030,993	6,947,453
Current liabilities	<u>(2,575,008)</u>	<u>(4,481,261)</u>
	<u>4,455,985</u>	<u>2,466,192</u>

Net assets attributable to restricted funds total £1,179,050 (2023: £NIL) and net assets attributable to unrestricted funds total £3,276,935 (2023: £2,466,192).

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**Notes to the Financial Statements –
Continued for the Year Ended 5th April 2024**

13. MOVEMENT IN FUNDS

Current Year

	At 6/4/23 £	Net movement in funds £	Transfer between funds £	At 5/4/24 £
All funds				
General fund	2,466,192	810,743	-	3,276,935
Restricted funds	-	1,179,050	-	1,179,050
TOTAL FUNDS	<u>2,466,192</u>	<u>1,989,793</u>	<u>-</u>	<u>4,455,985</u>

Net movement in funds, included in above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted fund			
General fund	2,081,276	1,270,533	810,743
Restricted Fund			
Scottish schools	2,431,870	1,252,820	1,179,050
English schools	436,254	436,254	-
Gannochy Trust	<u>108,920</u>	<u>108,920</u>	<u>-</u>
Total restricted funds	2,977,044	1,797,994	1,179,050
TOTAL FUNDS	<u>5,058,320</u>	<u>3,068,527</u>	<u>1,989,793</u>

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**Notes to the Financial Statements –
Continued for the Year Ended 5th April 2024**

**13. MOVEMENT IN FUNDS (Continued)
Prior Year**

	At 6/4/22 £	Net movement in funds £	Transfer between funds £	At 5/4/23 £
Unrestricted fund				
General fund	2,266,468	199,724	-	2,466,192
TOTAL FUNDS	<u>2,266,468</u>	<u>199,724</u>	-	<u>2,466,192</u>

Net movement in funds, included in above
are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted Funds			
General Fund	3,163,540	2,963,816	199,724
Restricted Fund			
Gannochy Trust	<u>31,667</u>	<u>31,667</u>	<u>-</u>
TOTAL FUNDS	<u>3,195,207</u>	<u>2,995,483</u>	<u>199,724</u>

14. RELATED PARTY TRANSACTIONS

The Charity's Chief Executive Officer (until December 2023) was married to one of the Trustees and their remuneration is disclosed in note 9 of the accounts by salary banding.

15. COMMITMENTS

There were no outstanding commitments at 5th April 2024.

16. PENSION COMMITMENTS

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £52,117 (2023: £47,370). Contributions totalling £10,431 were payable to the fund at the Balance Sheet date (2023: £10,450).