



SCIO: SC045816

MCR Pathways  
Financial Accounts  
For the Year ended 5th April 2020

**MCR Pathways**  
**Report of the Trustees**  
**For the year ended 5<sup>th</sup> April 2020**

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**MCR Pathways**  
**Report of the Trustees**  
**For the year ended 5<sup>th</sup> April 2020**

The Trustees present the annual report together with the audited financial statements for the year ended 5 April 2020.

**ORGANISATION**

MCR Pathways (MCR) is a Scottish Charitable Incorporated Organisation 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 schools 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 2007 and funded directly by the MCR Charitable Foundation and Iain MacRitchie. 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.

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**.

The MCR programme has grown to support 2,500 young people aged between 12 to 18 on a weekly basis with schools based staff, central mentoring services and development teams and dedicated volunteers. With support from national and locally based organisations, third sector and local and national government, MCR is now working in partnership with schools in Aberdeen, Aberdeenshire, Clackmannanshire, Edinburgh, Glasgow, North Ayrshire, Shetland, South Lanarkshire and West Dunbartonshire. Further expansions planned in Falkirk, Inverclyde and Perth & Kinross will bring the total number of secondary schools to 75.

A key element of the expansion is the establishment of integrated and long term partnerships with each school and local authority. These partnerships are based on a shared investment to get all parts of the MCR programme fully operational and include an agreed timeframe for the transfer of skills, knowledge and capability (from MCR to the schools and councils). The objective is to make the MCR programme a long term and sustained part of the education system, building on the precedent now established in Glasgow.

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The MCR programme supports young people in and on the edges of the care system at every stage of their secondary school education. This starts with supporting transitions from primary school to secondary school, followed by weekly group work as part of the curriculum for 1st and 2nd secondary year pupils for the full academic year. One to one relationship-based mentoring then starts from the 3rd year (underpinned by a detailed “matching” process undertaken with mentors and the young people). In parallel a menu of bite sized employment, college and university experiences in a Talent Taster programme is delivered to help the young people set career goals and gain firsthand experiences. An Ambassadors programme and a Next Steps community for those leaving school to help sustain their chosen post school destination, make up the other core elements of the MCR model. Each component is linked into MCR’s vision, mission and values.

Individualised support and relationship focused mentoring is at the heart of the MCR programme. We know there is amazing potential and talent in all young people, regardless of their home life and circumstances. But for many, that potential has yet to be discovered. MCR is driven to help uncover, nurture and develop the skills and capabilities of our young people and to bridge their talent with every opportunity. MCR only recognises three distinct (but not mutually exclusive) positive pathways for young people leaving school; namely progression to (1) further education, (2) higher education and/or (3) employment.

Councils throughout Scotland in city, town, rural and island settings have committed to the MCR programme and to encourage and support their workforces to become MCR mentors as part of their working week. MCR has also developed relationships with major organisations across diverse industries including JP Morgan, Lloyds Banking Group, DWP, Scottish Fire & Rescue and University of Strathclyde. In addition, MCR benefits from the commitment of long-term partners and funders in Life Changes Trust, MCR Charitable Foundation, the Robertson Trust and the Scottish Innovation Partnership which is a joint venture between the Hunter Foundation and Scottish Government. Significant support has also been received from the Hugh Fraser Foundation, William Grant Foundation and Coldstones

## **ACHIEVEMENTS AND PERFORMANCE**

In January 2020, ScotCen, the Scottish arm of NatCen, Britain’s largest independent social research agency, published their independent impact report, showing the dramatic difference MCR mentoring makes. Using the highest internationally recognised, qualitative and quantitative research methods, this 3 year evaluation rigorously analysed the data and interviewed young people, mentors and school staff. It found that the impact of the programme on young people is transformational. MCR measures impact against the following independently assessed metrics: staying-on in school rates, attainment levels and rates of progression to university, college and employment. Over the 3 years it found that:

- the rates for staying on at school beyond age 16 for mentored care-experienced pupils were 70.7%, compared to 39% of non-mentored, care-experienced pupils nationally.
- 87.8% of mentored pupils attained one or more SCQF Level 5 qualification(s), (equivalent of GCSE awards in England) compared to 58.3% of care-experienced young people in the same age group nationally.
- 81.6% of care-experienced mentored pupils progressed to college, university or employment, compared to just 59.8% of care-experienced pupils

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More information on the [full report can be found here.](#)

<https://mcrpathways.org/wp-content/uploads/2020/01/MCR-Pathways-Evaluation-Report-Jan-2020-Publication.pdf>

Other notable successes in the year included:

- 68 Pathways Coordinators were established in schools across 11 local authorities with that number continuing to grow as we expand into new areas and launch new schools in existing areas.
- S1 and S2 group work, conducted by the Pathways Coordinators in school, has been delivered to 913 young people giving them important life skills and assisting with literacy and numeracy.
- Over 1,500 volunteer mentors supported the MCR programme by attending weekly 50 minute meetings with their assigned mentee.
- In addition to the Ambassador programme which provides young people with a voice and way to feedback on all parts of the MCR programme, and the Next Steps school leaver support programme continues to expand. Next Steps provides post-school support and access to our online 'Young Scottish Talent Hub' and social media groups. During lockdown alone, over 300 interactions took place on Facebook providing practical support.
- In recognition of the impact of the MCR and Glasgow City Council partnership, MCR received the prestigious Third Sector Partnership award at the Scottish Public Sector Awards held in Holyrood. MCR was also winners of the Education category at the Inspiring City Awards and the Herald's Diversity Through Education Award.
- During the year recognition was also given that the MCR model can bring additional benefits for employers. Research identified that employees who volunteer in this way have greater pride and satisfaction in their organisation and this can ultimately lead to greater productivity.
- Since the COVID 19 pandemic lockdown in March 2020 a virtual mentoring platform was developed and deployed and almost 2,000 young people participated and engaged with staff and mentors through video, audio and live chat messaging.
- To inform policy and help build more effective recovery plans with the views of the young people, MCR surveyed more than 1,000 young people in depth, across Scottish communities to ascertain the impact of lockdown on their wellbeing, education and futures. MCR continues to work hard to represent and advocate for the most disadvantaged young people

MCR's achievements in 2019/20 have been realised with the encouragement and support of numerous partners. These include our dedicated volunteer mentors, school headteachers and staff, Councils, organisations (local authorities, educational establishments, public bodies, private companies and local communities) who have encouraged volunteer mentoring, and our various funders. All are committed to closing the attainment gap for our young people and in securing radical improvements in post school destinations. We thank all of them for their help and commitment.

The results for the current year reflect the continued embedding of the programme across all Glasgow secondary schools and the national expansion across Scotland. In addition to the £1,157,053 costs incurred by MCR Pathways and reflected in these accounts, other parties incurred costs in excess of £1.53m on behalf of the project in the period to 5th April 2020 including MCR Holdings, Aberdeenshire Council, Aberdeen Council, Glasgow City Council, Shetland Island Council and South Lanarkshire Council. None of the parties noted were reimbursed the costs they incurred directly on behalf of the project.

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The MCR team has risen to the COVID-19 pandemic challenges and the dedicated staff have been successful in maintaining and developing contact with our young people during lockdown. Additional emergency funding for laptops and internet access for the young people amounting to £283,550 was raised from the Scottish Government and JP Morgan. This enabled outreach projects to support our mentees during lockdown. With reports of 70% of Scotland's disadvantaged young people being unable to do any school work during lockdown and 20% having neither the equipment nor space at home, we have been able to address this and bring over 350 people online.

MCR looks to the future with confidence and a determination to support the young people in this difficult time. Our key areas for upcoming activity include:

- Working towards the goal to reach 10,000 young people across the UK in the next three years. The programme is expanding into England with plans to bring the life changing impact of mentoring to young people across the country, helping to eliminate the attainment gap across the UK.
- Targeting expansion in Scottish schools and areas with the greatest need, that represent all the key environments in city, town, rural and island settings.
- Help deliver on The Promise set out by the Scottish Care Review, which includes making mentoring a right for those who need it and continuing to ensure the various groups of our young people feed directly into the process and conclusions
- Inspire and recruit committed mentors from across public, private and education sectors, helping organisations meet their corporate parent responsibilities but also benefit from the social, economic and staff training benefits now evidenced
- Continue to build the training, support and programme management infrastructure and MCR team capacity and capability for a national footprint.
- Further develop and deepen links with National and Local Government officers, elected members and Ministers to help align policies and practices to ensure all the countries care-experienced young people are determined by their talent and potential and never their circumstances.
- Ensure all components of the MCR model are impact evidenced, fully documented and can be embedded and transferred into public ownership for long term sustainability.

The positive impact and exceptional outcomes of our programme has led to growing interest from Local Authorities outside Scotland and our ambitions are to share our experience and introduce the programme to Schools in England and share the model in other countries who have expressed interest. Key to supporting this next phase of our journey is an efficient and effective team structure that will target resources and expertise to where it's needed most.

**VOLUNTEERS**

The MCR Mentoring Programme is supported by our expanding network of volunteer mentors. They represent every walk of life, career and job experience, age group, gender, race and religion. Our volunteer mentors meet with their matched young person for one school period per week for a minimum of a year and ideally two. They provide the essential 'one good adult' component of the programme and commitment for the essential relationship basis of no other reason than they care. MCR has a comprehensive programme of support, training and continuous development all of which it is committed to invest in for the long term. Importantly MCR can now evidence the positive impact on the mentor in their personal development and the direct benefit to employers.

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**FINANCIAL REVIEW**

The charity generated a net surplus of £332,133 for the year ended 5 April 2020 (2019 : surplus £5,942). It is anticipated that this surplus will be fully utilised as MCR expands in both existing and new schools.

At the Balance Sheet date reserves were £849,202 (2019: £517,069) with £849,202 of these being unrestricted (2019: £517,069). 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 5 April 2020, ordinary expenditure for twelve months amounts to £1,157,053. At the Balance sheet date, the charity held unrestricted reserves of £849,202. This represents eight months funding which is one further month improved on the 2019 position. We will continue to improve on the reserve figure to achieve our goal of twelve months available funding.

**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.

MCR's long term objective is to ensure that its programme becomes embedded in the 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.

**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, we created a National Advisory Group, which includes some of Scotland's most experienced figures in business, the public sector, education and the third sector.

The executive management team continues to be expanded in quality and experience to meet with the growth and development plans. Graeme McEwan has been appointed Chief Executive of MCR Pathways with founder Iain MacRitchie taking the role of Chair.

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**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 system in due course, additional Trustees are being recruited.

**TRUSTEE INDUCTION PROCESS**

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

**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.

**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.

**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.



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**Reference and Administrative Details**

**Registered SCIO Number**  
SC045816

**Principal Address**  
25 Park Circus  
Glasgow  
G3 6AP

**Trustees**  
I D McRitchie, Chairman  
NJC Walters  
J G Walters

**Auditors**  
Parkhill Mackie & Co  
Chartered Accountants  
60 Wellington Street  
Glasgow  
G2 6HJ

**Bankers**  
Clydesdale Bank  
30 St Vincent Street  
Glasgow  
G1 2HL

**Solicitors**  
Dentons Middle East & UK LLP  
1 George Square  
Glasgow  
G1 2AL

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**For the year ended 5 April 2020**

**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 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.

Approved by the Trustees on.....and signed on their behalf by:

.....  
Iain D MacRitchie, Chairman

## **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 2020 which comprises the Statement of Financial Activities, Balance Sheet, 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 FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### **In our opinion, the financial statements:**

give a true and fair view of the state of the charity's affairs as at 5 April 2020 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

the information given in the financial statements is inconsistent in any material respect with the trustees' report;

## **MCR Pathways**

### **Independent Auditor's Report to the Trustees of MCR Pathways (Cont'd)**

or

- ☐ proper accounting records have not been kept; or
- ☐ the financial statements are not in agreement with the accounting records; or
- ☐ we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal controls as the trustees determine are 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 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 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.

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 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Parkhill Mackie & Co  
Statutory Auditor  
Chartered Accountants  
60 Wellington Street  
Glasgow. G2 6HJ

.....  
Date

Parkhill Mackie & Co is eligible for appointment as auditor of the charity under regulation 10(2) of the Charities Accounts (Scotland) Regulations by virtue of its eligibility under section 1212 of the Companies Act 2006

**Statement of Financial Activities**  
for the year ended 5 April 2020

		<b>2020</b>	<b>2019</b>
	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>
Notes	£	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>			
<b>Charitable activities</b>	2		
School based mentoring programme	560,528	560,528	285,893
Other incoming resources	922,641	922,641	610,276
Income from investments	3 6,017	6,017	3,007
<b>Total income</b>	<u>1,489,186</u>	<u>1,489,186</u>	<u>899,176</u>
<b>EXPENDITURE ON:</b>			
<b>Charitable activities</b>	4		
School based mentoring programme	5 1,155,053	1,155,053	891,374
Support costs	6 2,000	2,000	1,860
<b>Total expenditure</b>	<u>1,157,053</u>	<u>1,157,053</u>	<u>893,234</u>
<b>Net income and movement in funds</b>	<u>332,133</u>	<u>332,133</u>	<u>5,942</u>
Transfers between funds	-	-	-
<b>Net movement in funds</b>	<u>332,133</u>	<u>332,133</u>	<u>5,942</u>
<b>RECONCILIATION OF FUNDS:</b>			
<b>Total funds brought forward</b>	517,069	517,069	511,127
<b>Total funds carried forward</b>	<u>849,202</u>	<u>849,202</u>	<u>517,069</u>

The notes form part of these accounts

**Balance Sheet****As at 5 April 2020**

		<b>2020</b>	<b>2019</b>
		<b>Total</b>	<b>Total</b>
		<b>funds</b>	<b>funds</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	271,854	240,617
Cash at bank	11	1,780,929	950,543
<b>Total current assets</b>		<b>2,052,783</b>	<b>1,191,160</b>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	12	1,203,581	674,091
<b>NET CURRENT ASSETS</b>		<b>849,202</b>	<b>517,069</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>849,202</b>	<b>517,069</b>
<b>NET ASSETS</b>		<b>849,202</b>	<b>517,069</b>
<b>THE FUNDS OF THE CHARITY:</b>			
Unrestricted Fund	13	849,202	517,069
<b>TOTAL CHARITY FUNDS</b>		<b>849,202</b>	<b>517,069</b>

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

.....  
Iain MacRitchie - Chairman



**Cash Flow Statement**

**For the year ended 5 April 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	899,369	499,764
	<u>899,369</u>	<u>499,764</u>
<b>Cash flows from investing activities</b>		
Interest received	6,017	3,007
<b>Net cash provided by investing activities</b>	<u>6,017</u>	<u>3,007</u>
 <b>Change in cash and cash equivalents in the reporting period</b>	 905,386	 502,771
 <b>Cash and cash equivalents at the beginning of the reporting period</b>	 950,543	 447,772
 <b>Cash and cash equivalents at the end of the reporting period</b>	 <u><u>1,855,929</u></u>	 <u><u>950,543</u></u>
 <b>Reconciliation of Net Income to Net Cash Flow from Operating Activities</b>		
Net income per statement of financial activities	332,133	5,942
(Decrease) / Increase in debtors	43,763	(139,827)
Interest received	(6,017)	(3,007)
Increase in creditors	529,490	636,656
	<u><u>899,369</u></u>	<u><u>499,764</u></u>

## **I. 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.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

### **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.

Donations to the Trust are recognised when they have been communicated to the Trust 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**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required 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.

### **Funds**

The Trust maintains unrestricted funds which can be used in accordance with its charitable objectives at the discretion of the trustees.

### **Charitable Activities**

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



**Notes to the Financial Statements - continued  
for the year ended 5 April 2020**

**2. INCOME FROM CHARITABLE ACTIVITIES**

	2020	2019
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	£	£
School based mentoring programme	560,528	285,893
Grants	915,586	599,421
Donations	7,055	10,855
	<u>1,483,169</u>	<u>896,169</u>

Grants received, included in the above, are as follows:

STV Appeal	100,000	100,000
Creative Scotland	20,586	27,421
The Robertson Trust	100,000	100,000
The William Grant Foundation	70,000	70,000
Life Changes Trust	150,000	200,000
JP Morgan	175,000	-
Hugh Fraser Foundation	50,000	-
Coldstones	100,000	-
Social Innovation Partnership	150,000	97,000
Royal Conservatoire of Scotland		5,000
	<u>915,586</u>	<u>599,421</u>

**3. INVESTMENT INCOME**

	2020	2019
	£	£
Bank interest	<u>6,017</u>	<u>3,007</u>

**4. CHARITABLE ACTIVITIES COSTS**

	2020	2019
	£	£
Expenditure on school based mentoring programme - Note 5	1,155,053	891,374
Support costs - Note 6	2,000	1,860
	<u>1,157,053</u>	<u>893,234</u>

**5. EXPENDITURE ON SCHOOL BASED MENTORING PROGRAMME**

	2020	2019
	£	£
<b>Staff costs</b>		
<b>Programme Development &amp; Stakeholder Engagement</b>		
(Mentor & Organisational Recruitment)		
Staff salaries, consultancy fees & pension	214,126	167,128
Travel	1,228	1,651
<b>Programme Implementation, Support &amp; Training</b>		
(Interviewing, Training & Matching)		
Staff salaries, consultancy fees & pension	270,922	141,364
Travel	5,751	3,265
<b>School Teams</b>		
Staff salaries, consultancy fees & pension		
Aberdeen, North Ayrshire, Edinburgh, Glasgow & West Dunbartonshire	380,364	312,466
Travel	11,276	5,191
<b>National Plan</b>		
Staff salaries, consultancy fees & pension	33,122	75,180
Travel	3,945	2,324
<b>Digital Platforms, Support &amp; CPD</b>		
Staff salaries, consultancy fees & pension	94,643	74,743
Travel	251	209
Website, internet costs and Computer software	91,448	45,732
<b>General Operational Costs</b>		
Including: Marketing campaigns & events, telephone,	47,784	62,009
repairs, equipment, consultancy & professional fees, insurance,		
stationery and other sundry costs.		
<b>Bank charges</b>	193	112
	<u>1,155,053</u>	<u>891,374</u>

**6. SUPPORT COSTS**

	2020	2019
	£	£
<b>Governance Costs:</b>		
Accountancy	-	-
Audit fees	2,000	1,860
	<u>2,000</u>	<u>1,860</u>

In addition to the Audit fees above, non-audit fees (payroll and administration fees) amounting to £6,000 (2019 £6,140) have been included in General Operational Costs (note 5)

**7. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 5 April 2020 (2019 : NIL).

**Trustees' expenses**

There were no trustees' expenses paid to the year ended 5 April 2020 (2019 : NIL).

**8. STAFF COSTS**

	2020	2019
Wages & salaries	909,574	505,418
Social security costs	66,270	41,734
Other pension costs	17,333	3,504
	<u>993,177</u>	<u>550,656</u>

The average number of employees during the year ended 5 April 2020 was as follows:

	2020	2019
Office and Project Staff (FtE)	<u>45</u>	<u>22</u>
No employees received emoluments in excess of £60,000		

**9. COMPARATIVES FOR STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds	2019 Total funds
	£	£
<b>INCOME AND ENDOWMENTS FROM:</b>		
<b>Charitable activities</b>		
School based mentoring programme	285,893	285,893
Other incoming resources	610,276	610,276
Investment income	3,007	3,007
<b>Total income</b>	<u>899,176</u>	<u>899,176</u>
<b>EXPENDITURE ON:</b>		
<b>Charitable activities</b>		
School based mentoring programme	891,374	891,374
Support costs	1,860	1,860
<b>Total expenditure</b>	<u>893,234</u>	<u>893,234</u>
<b>Net income/(expenditure)</b>	5,942	5,942
Transfers between funds	-	-
<b>Net movement in funds</b>	5,942	5,942
<b>RECONCILIATION OF FUNDS:</b>		
<b>Total funds brought forward</b>	511,127	511,127
<b>Total funds carried forward</b>	<u>517,069</u>	<u>517,069</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Accrued income	75,000	97,000
Prepayments	5,596	5,617
Other debtors	191,258	138,000
	<u>271,854</u>	<u>240,617</u>

**11. CASH AT BANK**

	2020	2019
	£	£
Clydesdale Bank    Main account	1,698,664	887,127
Deposit account	69,329	29,162
Parkhill Mackie	12,836	34,254
Cash	100	-
	<u>1,780,929</u>	<u>950,543</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	26,403	23,252
HM Revenue & Customs (PAYE,NI,Pension & Student loan)	26,422	16,942
Accruals	41,240	15,986
Accruals relating to School Based Mentoring Programme	6,189	7,676
Deferred income	684,910	378,361
Provisions	418,417	231,874
	<u>1,203,581</u>	<u>674,091</u>

Deferred income comprises income received for projects which commenced in 2020/21 and to which MCR Pathways was not entitled to in the year 2019/20.

	2020	2019
	£	£
At 6 April 2019	378,761	-
Deferred in year	1,511,111	378,761
Released in year	1,204,962	-
As at 5 April 2020	<u>684,910</u>	<u>378,761</u>

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	2020	2019
	<b>Total</b>	<b>Total</b>
	<b>funds</b>	<b>funds</b>
	£	£
Current assets	2,052,783	1,191,160
Current liabilities	(1,203,581)	(674,091)
	<u>849,202</u>	<u>517,069</u>

**14. MOVEMENT IN FUNDS**

	<b>At 6/4/19</b>	<b>Net movement in funds</b>	<b>Transfer between funds</b>	<b>At 5/4/20</b>
	£	£	£	£
<b>Unrestricted fund</b>				
General fund	517,069	332,133	-	849,202
<b>TOTAL FUNDS</b>	<u>517,069</u>	<u>332,133</u>	<u>-</u>	<u>849,202</u>

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

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Movement in funds</b>
	£	£	£
<b>Unrestricted fund</b>			
General fund	1,489,186	(1,157,053)	332,133
<b>TOTAL FUNDS</b>	<u>1,489,186</u>	<u>(1,157,053)</u>	<u>332,133</u>

**14. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	<b>At 6/4/18</b>	<b>Net movement in funds</b>	<b>Transfer between funds</b>	<b>At 5/4/19</b>
	£	£	£	£
<b>Unrestricted fund</b>				
General fund	321,669	195,400	-	517,069
STV Appeal	20,000	(20,000)	-	
Life Changes Trust	119,458	(119,458)	-	
Hugh Fraser Foundation	50,000	(50,000)	-	
<b>TOTAL FUNDS</b>	<b>511,127</b>	<b>5,942</b>	<b>0</b>	<b>517,069</b>

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

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Movement in funds</b>
	£	£	£
<b>Unrestricted fund</b>			
General fund	299,755	(104,355)	195,400
STV Appeal	100,000	(120,000)	(20,000)
The Robertson Trust	100,000	(100,000)	0
Hugh Fraser Foundation	-	(50,000)	(50,000)
William Grant Foundation	70,000	(70,000)	0
Social Innovation Partnership	97,000	(97,000)	0
Royal Conservatoire Scotland	5,000	(5,000)	0
Creative Scotland	27,421	(27,421)	0
Life Changes Trust	200,000	(319,458)	(119,458)
<b>TOTAL FUNDS</b>	<b>899,176</b>	<b>(893,234)</b>	<b>5,942</b>

**15. RELATED PARTY TRANSACTIONS**

There were no related party transactions for the year ended 5 April 2020 that require disclosure.

**16. COMMITMENTS**

There were no outstanding commitments at 5 April 2020