



SCIO: SC045816

MCR Pathways
Financial Accounts
For the Year ended 5th April 2025

MCR Pathways
Report of the Trustees
For the year ended 5th April 2025

Contents of the Financial Statements

| | Page |
|--|----------|
| Report of the Trustees | 2 to 9 |
| Statement of Trustees Responsibilities | 9 |
| Auditor's Report | 10 to 13 |
| Statement of Financial Activities | 14 |
| Balance Sheet | 15 |
| Cash Flow Statement | 16 |
| Notes to the Financial Statements | 17 to 28 |

MCR Pathways
Report of the Trustees
For the year ended 5th April 2025

The trustees present the annual report together with the audited financial statements for the year ended 5th April 2025.

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 are in 147 schools across the UK as at 5th April 2025.

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

2024/25 economic landscape for MCR Pathways within the larger UK voluntary sector continued to face challenges of increased demand for services, rising operational costs and decrease in charitable giving. In addition, MCR Pathways' main investor, the public sector, faced many pressures due to large deficits through lower than forecast income and higher than forecast spending. This simultaneously contracting environment was made even more challenging by the rise in demand to meet the needs of Young People and Communities. This year demonstrated a need for MCR Pathways to develop innovative solutions, deepen engagement in prevention, nurture creativity and drive system change in a different way.

MCR Pathways is known for its resilience and determination but now it has added collaboration to its core. It has adapted its environment to become a more collaborative leader across both voluntary and public sectors to support its' adaptation to social, environmental, and technological shifts. Working in an integrated way for young people with partners to advocate for increased investment and empowerment of young people.

MCR Pathways
Report of the Trustees
For the year ended 5th April 2025

From April 2024, MCR Pathways has successfully navigated a number of funding and delivery challenges by working closely with investors and partners, to successfully deliver on its promises and reach ever-more young people who benefit enormously from mentoring. In total by the year end, MCR had established trusted adult relationships and support for 3,806 young people supported by personalised mentors, 2,679 young people supported by group work and through Pathway Co-ordinator support before being mentored. Reaching and supporting a total of 7,261 young people, including 690 mentored leavers in the academic year.

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 Southeast England continues to be dynamic. Our services in Ealing, Hertfordshire and Surrey continue to make a significant impact. We are hugely grateful to all investors whose grant funding has enabled our expansion into SEE England. We are also delighted to share that we have received investment from Centre for Social Justice of £1.08 million, January 2025, to develop our plans over three years, to expand into the North East of England. The new academic year September 25/26 will see us deliver in 7 new schools across Middlesbrough, Newcastle-upon-Tyne and Sunderland.

Partners and Volunteers and Charitable Giving

Public sector investment is a major source of our funding over the next two years as we align MCR Pathways to key policy areas that will support Governments in Scotland and Westminster's aims to tackle the child poverty crisis. In July 24, we were delighted to be awarded two multi- year funding of £4.3 million by the Scottish Government through their Communities and Social Justice Directorate and Education and Skills Directorate to provide enhanced positive outcomes and experiences for young people in school and leaving school, transitioning into new pathways in Further Education, Apprenticeships, University, Training. Broadening the bandwidth of funding across governmental directorates is critical to MCR Pathways future. To help meet this political and policy aim, we have introduced a new *Policy and Public Affairs* function. This function, ensures we have an impartial political profile, are relied on for providing a strong policy platform for young people's voice, become agents of change for tackling Child Poverty and share the transformative impact of mentoring.

Further, on February 25, we launched our "world-class" Great Fundraising Organisation programme to ensure that we diversify our income to protect ourselves against any further economic shocks/risks and improve our propensity to grow. Our priorities, under our GFO is generating funds through corporate sponsorship, individual giving, trusts/foundations, High Net Worth donor investment. We project to raise £500K in our first financial year 25/26 through the implementation of our fundraising strategy.

MCR Pathways
Report of the Trustees
For the year ended 5th April 2025

We remain hugely indebted to both Government supporters, donors, trusts and charities who have to date helped us to realise our achievements and we hope and trust will continue to do so.

Our volunteer mentor community are MCR Pathways lifeblood. Without MCR mentors we would not be able to achieve the reach, scale and support we provide. Year after year our surveys with young people share that:

- 83% stated that having a mentor improved their confidence.
- 83% helped them to understand their talents and strengths.
- 85% helped them to believe in themselves more.
- 86% supported them in identifying goals.
- 93% helped them to build trust.
- 95% felt their mentor was a good role model.

We continue to be extremely grateful for the diverse range of passionate volunteers attracted to MCR Pathway's purpose, and we are incredibly grateful to local authorities, corporate partners, businesses, and community groups for supporting and attracting new mentors into our community. On September 24, we introduced a new *Influencing and Engagement* function within MCR Pathways to enhance the way we support, value and recognise mentors on their volunteer career journey with us. We truly believe volunteer mentors build trust and solidarity with young people, like no other practitioner or professional around a young person. The uniqueness of our mentor contributions are recognised and celebrated through a new recognition and reward programme which has created many tools to value the incredible relational skills of our mentoring communities. This includes introducing a new awards system, which has recognised mentors for dedicated long service (5 years - 12 years) and a new engagement plan which ensures world class mentor support and creates opportunities for relational mentor communities to learn from each other across the UK.

Our mentor strategic focus is ensuring we:

- 💡 Understand communities from experiences of mentors and provide high quality training and learning to support their volunteering career
- 💡 Establish relational accountability: build long-term trust, not short-term outcomes.
- 💡 Intersectional inclusion: ensure our volunteering practice and policies welcome people across lines of class, race, gender, ability, and immigration status.
- 💡 Capacity sharing: prioritise training, co-learning, and intergenerational knowledge exchanges.
- 💡 Civic imagination: encourage creativity, storytelling, and culture as vehicles for community collective action.

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 Pathways 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.

MCR Pathways
Report of the Trustees
For the year ended 5th April 2025

FINANCIAL REVIEW

The charity generated a surplus of £1,769,689 for the year ended 5 April 2025 (2024: surplus £1,989,793). During 2024/25 the Scottish Government awarded MCR Pathways two year multi-year funding of £4.3 million for 25/26 and 26/27 respectively.

At the Balance Sheet date reserves were £6,225,674 (2024: £4,455,985) with £2,925,190 of these being unrestricted (2024: £3,276,935). The expenditure levels of MCR are in line with expectations as we go through various expansion phases. During August - October 24, MCR Pathways recruited seven new board members. MCR Pathways had lost two members from its' board and its' focus was to recruit industry leaders and sector experts to support MCR's stability and expansion. These board members included the recruitment of two young people who had been previously mentored by MCR mentors, who now as young adults mentor young people and continue to be very committed to MCR's purpose.

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 2025, ordinary expenditure for twelve months amounts to £3,313,638. At the Balance sheet date, the charity held unrestricted reserves of £2,925,190 which represents 10.6 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.

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 across the UK. MCR invests significantly in its workforce. In October 24, MCR Pathways created a new *Learning and Development* function that is dedicated to supporting all staff develop their skills and learning to ensure we provide world class services across the UK.

MCR's long term objective is to ensure it reaches each and every care experienced young person and young people who would benefit from personal relationship based mentoring. This aim requires a different way of working within the eco-system of schools, communities, partners, investors and employers. MCR's collaborative approach will forge strong and deep investment relationships (delivery and financial) across all sectors to manage the risk of financial and relational insecurity to secure its long term viability.

MCR Pathways
Report of the Trustees
For the year ended 5th April 2025

MCR has a corporate and operational risk register which is reviewed continually by the executive team and quarterly by The Trustees.

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.

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, dynamic 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 are 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.

**MCR Pathways
Report of the Trustees
For the year ended 5th April 2025**

Pay Policy for Senior Staff

The remuneration of our employees on our executive team is decided by the trustees through our 'HR and Remuneration sub – committee' 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, schools and communities 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 2025

Reference and Administrative Details

Registered SCIO Number

SC045816

Principal Address

25 Park Circus
Glasgow
G3 6AP

Trustees

NJC Walters, Chair - resigned December 2024
M McKenna, Chair - appointed January 2025
I D MacRitchie, Founder - resigned December 2025
M Little - resigned January 2025
S Richards - appointed December 2024
GA Hannah - appointed December 2024
JL Crocket - appointed December 2024
R McCuaig, Vice Chair - appointed May 2025
MW McEwan - appointed December 2024
L Gray - appointed December 2024
FEN Evans - appointed December 2024
FA Hamilton - appointed December 2024
Geeta Subramaniam-Mooney

Auditors

AAB Audit & Accountancy Limited
133 Finnieston Street
Glasgow
G3 8HB

Bankers

Virgin Money
30 St Vincent Place
Glasgow G1 2HL

Solicitors

CMS Cameron McKenna Nabarro Olswang LLP
1 West Regent Street
Glasgow
G2 1AP

MCR Pathways
Report of the Trustees
For the year ended 5th April 2025

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; and
- 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 Trustees are proposing a re-tender of its external audit services, and once this process is complete the auditor appointment will be confirmed by the Trustees.

Approved by the trustees on... 23 December 2025 and signed on their behalf by:

.....
Maureen McKenna
Maureen McKenna, 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 2025 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 2025 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 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

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 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors 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.

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

MCR Pathways

Independent Auditor's Report to the Trustees of MCR Pathways

detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context was the Charities and Trustee Investment (Scotland) Act 2005.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the charity's key performance indicators to meet targets;
- Timing and completeness of revenue recognition; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading.

Our audit procedures to respond to these risks included:

- Vouching revenue transactions to source documentation and performance obligations, assessing the revenue recognition
- Testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Enquiries of management about litigation and claims and inspection of relevant correspondence;
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations;
- Performing a disclosure checklist on the financial statements to ensure the Charities and Trustee Investment (Scotland) Act 2005 requirements are satisfied;
- Analytical procedures to identify any unusual or unexpected trends or relationship; and
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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.

AAB Audit & Accountancy Limited

AAB Audit & Accountancy Limited

Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 23 December 2025

AAB Audit & Accountancy Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

MCR Pathways
 SCIO: SC045816

**Statement of Financial
Activities for the year ended
5th April 2025**

| | | | 2025 | 2024 |
|------------------------------------|-------|------------------|------------------|------------------|
| | | Restricted | Unrestricted | Total |
| | | funds | funds | funds |
| | Notes | £ | £ | £ |
| INCOME AND ENDOWMENTS | | | | |
| FROM: | | | | |
| Donations and Legacies | 2 | - | 43,978 | 43,978 |
| Charitable activities | 3 | 4,245,527 | 676,079 | 4,921,606 |
| Investments | 4 | - | 117,743 | 117,743 |
| Total Income | | 4,245,527 | 837,800 | 5,083,327 |
| EXPENDITURE ON: | | | | |
| Charitable activities | 5 | 2,124,093 | 1,189,545 | 3,313,638 |
| Total Expenditure | | 2,124,093 | 1,189,545 | 3,313,638 |
| Net income and expenditure | | 2,121,434 | (351,745) | 1,769,689 |
| Transfers between funds | | - | - | - |
| Net movement in funds | | 2,121,434 | (351,745) | 1,769,689 |
| RECONCILIATION OF FUNDS: | | | | |
| Total funds brought forward | | 1,179,050 | 3,276,935 | 4,455,985 |
| Total funds carried forward | | 3,300,484 | 2,925,190 | 6,225,674 |
| | | | | 4,455,985 |

The notes on pages 17 to 28 form part of these financial statements

MCR Pathways
SCIO: SC045816

Balance Sheet
As at 5th April 2025

| | | 2025 | 2024 |
|--|-------|------------------|------------------|
| | | Total | Total |
| | | funds | funds |
| | Notes | £ | £ |
| CURRENT ASSETS | | | |
| Debtors: amounts falling due within one year | 10 | 959,760 | 777,121 |
| Cash at bank | | 7,500,243 | 6,253,872 |
| Total current assets | | <u>8,460,003</u> | <u>7,030,993</u> |
| LIABILITIES | | | |
| Creditors: amounts falling due within one year | 11 | 2,234,329 | 2,575,008 |
| NET CURRENT ASSETS | | <u>6,225,674</u> | <u>4,455,985</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>6,225,674</u> | <u>4,455,985</u> |
| NET ASSETS | | <u>6,225,674</u> | <u>4,455,985</u> |
| THE FUNDS OF THE CHARITY: | | | |
| Unrestricted Fund | 13 | 2,925,190 | 3,276,935 |
| Restricted Fund | 13 | <u>3,300,484</u> | <u>1,179,050</u> |
| TOTAL CHARITY FUNDS | | <u>6,225,674</u> | <u>4,455,985</u> |

The financial statements were approved by the Board of Trustees on 23 December 2025

signed on its behalf by:

.....
Maureen McKenna
Maureen McKenna - Chair and Trustee

The notes on pages 17 to 28 form part of these financial statements.

MCR Pathways
SCIO: SC045816



Cash Flow Statement
for the year ended 5th April 2025

| | 2025 | 2024 |
|--|-----------------------------|-----------------------------|
| | £ | £ |
| Cash flows from/ (used in) operating activities | | |
| Cash generated from/ (used in) operations | 1,128,628 | (689,713) |
| Net cash provided by/ (used in) operating activities | <u>1,128,628</u> | <u>(689,713)</u> |
| Cash flows from investing activities | | |
| Interest Received | 117,743 | 160,580 |
| Net cash provided by investing activities | <u>117,743</u> | <u>160,580</u> |
| Change in cash and cash equivalents in the reporting period | 1,246,371 | (529,133) |
| Cash and cash equivalents at the beginning of the reporting period | 6,253,872 | 6,783,005 |
| Cash and cash equivalents at the end of the reporting period | <u>7,500,243</u> | <u>6,253,872</u> |
| Reconciliation of Net Income to Net Cash Flow from Operating Activities | | |
| Net income per statement of financial activities | 1,769,689 | 1,989,793 |
| Increase in debtors | (182,639) | (612,673) |
| Interest received | (117,743) | (160,580) |
| Decrease in creditors | (340,679) | (1,906,253) |
| | <u>1,128,628</u> | <u>(689,713)</u> |
| Analysis of cash and cash equivalents | | |
| Cash in Hand | 100 | 100 |
| Bank Accounts | <u>7,500,143</u> | <u>6,253,772</u> |
| | <u>7,500,243</u> | <u>6,253,872</u> |
| Analysis of changes in net debt | | |
| | As at 6 th April | Cashflows |
| | 2024 | As at 5 th April |
| Cash at Bank and in Hand | <u>6,253,872</u> | <u>1,246,371</u> |
| | <u>7,500,243</u> | |

The notes on pages 17 to 28 form part of these financial statements.

MCR Pathways
SCIO: SC045816



Notes to the Financial Statements for the Year Ended 5th April 2025

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 cost 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 including 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.

MCR Pathways
SCIO: SC045816



Notes to the Financial Statements – continued for the Year Ended 5th April 2025

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.

MCR Pathways
SCIO: SC045816

**Notes to the Financial Statements – continued
for the Year Ended 5th April 2025**

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.

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 5th April 2025**

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.

| | 2025 | 2024 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Donations – unrestricted | <u>43,978</u> | <u>14,726</u> |
| 3. INCOME FROM CHARITABLE ACTIVITIES | | |
| | 2025 | 2024 |
| | Total | Total |
| | Funds | Funds |
| | £ | £ |
| School based mentoring programme fees | 4,026,436 | 3,598,165 |
| Grants | <u>895,170</u> | <u>1,284,849</u> |
| | <u><u>4,921,606</u></u> | <u><u>4,883,014</u></u> |

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

| | | |
|---------------------------------|-----------------------|-------------------------|
| Findlay Charitable Trust | 20,000 | - |
| DYW | - | 6,494 |
| The Robertson Trust | - | 75,156 |
| Life Changes Trust | 4,350 | 75,156 |
| Impetus | 180,000 | 180,000 |
| Hunter Foundation | - | 485,371 |
| Coldstones | 200,000 | 200,004 |
| Gannochy Trust | 58,475 | 108,920 |
| MCR Holdings | 6,466 | - |
| J P Morgan | - | 87,498 |
| NDYP (Greater London Authority) | 122,500 | - |
| C, D and R | 284,994 | 56,250 |
| Social Justice Award | - | 10,000 |
| The Rank Foundation | <u>18,385</u> | <u>-</u> |
| | <u><u>895,170</u></u> | <u><u>1,284,849</u></u> |

Included in income from Charitable activities is restricted income of £4,245,527 (2024: £2,977,044)



MCR Pathways
SCIO: SC045816

**Notes to the Financial Statements – continued
for the Year Ended 5th April 2025**

| 4. INVESTMENT INCOME | 2025 | 2024 |
|------------------------------|-------------|-------------|
| | £ | £ |
| Bank Interest - unrestricted | 117,743 | 160,580 |
| | <hr/> | <hr/> |

| 5. CHARITABLE ACTIVITIES COSTS | 2025 | 2024 |
|--|-------------|-------------|
| | £ | £ |
| Expenditure on school based mentoring programme – Note 6 | 2,766,987 | 2,623,039 |
| Support costs – Note 7 | 546,651 | 445,488 |
| | <hr/> | <hr/> |
| | 3,313,638 | 3,068,527 |

Included in expenditure from charitable activities is restricted expenditure of £2,124,093 (2024: £1,797,994).

6. EXPENDITURE ON SCHOOL BASED MENTORING PROGRAMME

| | 2025 | 2024 |
|---|-------------|-------------|
| | £ | £ |
| Staff Costs | | |
| Central Departments | | |
| (Mentor Services, Mentor Support Senior Management & Governance, Finance) | | |
| Staff salaries, consultancy fees & pension | 1,067,202 | 1,107,145 |
| Travel | 19,762 | 56,286 |
| School Teams | | |
| Aberdeen, Edinburgh, North Ayrshire, South Lanarkshire, Clackmannanshire, Perth & Kinross, Highland, Dundee, Fife, Falkirk, Inverclyde, Hertfordshire and Surrey) | | |
| Staff salaries, consultancy fees & pension | 1,598,839 | 1,389,828 |
| Travel | 81,184 | 69,780 |
| | <hr/> | <hr/> |
| | 2,766,987 | 2,623,039 |
| | <hr/> | <hr/> |



MCR Pathways

SCIO: SC045816

Notes to the Financial Statements – Continued for the Year Ended 5th April 2025

| 7. SUPPORT COSTS | 2025 | 2024 |
|--|----------------------|----------------------|
| | £ | £ |
| Digital Platforms, Support & CPD: | | |
| Staff salaries, consultancy fees & pension | 160,666 | 162,524 |
| Software, hardware, IT equipment and website costs | 54,096 | 51,580 |
| Salesforce | 25,368 | 31,065 |
| General Operational Costs: | | |
| Programme materials and marketing | 126,048 | 61,938 |
| Office running costs | 72,018 | 69,725 |
| Governance, admin, payroll and redundancy | 68,243 | 32,026 |
| Insurances | 24,728 | 23,618 |
| Bank charges | 785 | 514 |
| Audit Fees | 14,699 | 12,498 |
| | <hr/> <u>546,651</u> | <hr/> <u>445,488</u> |

8. TRUSTEES' REMUNERATION AND BENEFITS

There was no trustees' remuneration or other benefits for the year ended 5th April 2025 (2024: Nil)

Trustees' Expenses

There were no trustees' expenses paid in the year 5th April 2025 (2024: Nil)

MCR Pathways
SCIO: SC045816



**Notes to the Financial Statements – Continued
for the Year Ended 5th April 2025**

| 9. STAFF COSTS | 2025 | 2024 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages & Salaries | 2,499,034 | 2,385,235 |
| Social Security Costs | 241,739 | 222,133 |
| Other pension costs | <u>85,936</u> | <u>52,117</u> |
| | <u>2,826,709</u> | <u>2,659,485</u> |

| The average number of employees during the year ended 5 April 2025: Office and Project Staff (FTE) | 2025 | 2024 |
|---|-------------|-------------|
| | 78 | 91 |

There were 2 employees whose remuneration was in the bracket £60,000 - £70,000 and 1 employee in the bracket £70,001 - £80,000 during the year (2024: 1 employee between £70,001 - £80,000). The charity considers its key management personnel to comprise of the charity trustees and the executive team. The total employment benefits including employers pension contributions of the key management personnel were £218,690 (2024: £79,809).

MCR Pathways
SCIO: SC045816



**Notes to the Financial Statements – Continued
for the Year Ended 5th April 2025**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 | 2024 |
|----------------|----------------|----------------|
| | £ | £ |
| Trade Debtors | 315,612 | 165,000 |
| Accrued Income | 609,000 | 595,000 |
| Prepayments | <u>35,148</u> | <u>17,121</u> |
| | <u>959,760</u> | <u>777,121</u> |

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2025 | 2024 |
|---|------------------|------------------|
| | £ | £ |
| Trade Creditors | 13,405 | 10,740 |
| HM Revenue & Customs (PAYE, NIC, Pension & Student Loan) | 74,669 | 64,470 |
| Accruals | 56,367 | 75,065 |
| Deferred Income | 2,080,683 | 2,312,853 |
| Other Creditors | <u>9,205</u> | <u>111,880</u> |
| | <u>2,234,329</u> | <u>2,575,008</u> |

MCR Pathways
SCIO: SC045816



**Notes to the Financial Statements – Continued
for the Year Ended 5th April 2025**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Continued)

Deferred income comprises income received for projects which MCR Pathways was not entitled to in the year 2024/25.

| | 2025 £ | 2024 £ |
|-------------------------------|--------------------|--------------------|
| At 6 th April 2024 | 2,312,853 | 4,247,635 |
| Deferred in year | 4,350,784 | 2,755,000 |
| Released in year | <u>(4,582,954)</u> | <u>(4,689,782)</u> |
| At 5 th April 2025 | <u>2,080,683</u> | <u>2,312,853</u> |

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | 2025 Total funds £ | 2024 Total funds £ |
|---------------------|------------------------------------|------------------------------------|
| Current assets | 8,460,003 | 7,030,993 |
| Current liabilities | <u>(2,234,329)</u> | <u>(2,575,008)</u> |
| | <u>6,225,674</u> | <u>4,455,985</u> |

Net assets attributable to restricted funds total £3,300,484 (2024: £1,179,050) and net assets attributable to unrestricted funds total £2,925,190 (2024: £3,276,935).

MCR Pathways
SCIO: SC045816



**Notes to the Financial Statements – Continued
for the Year Ended 5th April 2025**

13. MOVEMENT IN FUNDS

Current Year

| | At 6/4/24 £ | Net movement in funds £ | Transfer between funds £ | At 5/4/25 £ |
|--------------------|-------------------------|----------------------------------|-----------------------------------|-------------------------|
| All funds | | | | |
| General fund | 3,276,935 | (351,745) | - | 2,925,190 |
| Restricted funds | 1,179,050 | 2,121,434 | - | 3,300,484 |
| TOTAL FUNDS | <u>4,455,985</u> | <u>1,769,689</u> | <u>-</u> | <u>6,225,674</u> |

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|--------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted fund | | | |
| General fund | 837,800 | 1,189,545 | (351,745) |
| Restricted Fund | | | |
| Scottish schools | 3,381,167 | 1,259,733 | 2,121,434 |
| English schools | 787,500 | 787,500 | - |
| Gannochy Trust/Rank Foundation | <u>76,860</u> | <u>76,860</u> | <u>-</u> |
| Total restricted funds | 4,245,527 | 2,124,093 | 2,121,434 |
| TOTAL FUNDS | <u>5,083,327</u> | <u>3,313,638</u> | <u>1,769,689</u> |

MCR Pathways
SCIO: SC045816



**Notes to the Financial Statements – Continued
for the Year Ended 5th April 2025**

13. MOVEMENT IN FUNDS (Continued)

Prior 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 | <u>-</u> | <u>1,179,050</u> | <u>-</u> | <u>1,179,050</u> |
| 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 |
|---------------------------|-------------------------|-------------------------|-------------------------|
| | | | £ |
| Unrestricted Funds | | | |
| General Fund | 2,081,276 | 1,270,533 | 810,743 |
| Restricted Funds | | | |
| 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 | <u>2,977,044</u> | <u>1,797,994</u> | <u>1,179,050</u> |
| TOTAL FUNDS | <u>5,058,320</u> | <u>3,068,527</u> | <u>1,989,793</u> |

MCR Pathways
SCIO: SC045816



**Notes to the Financial Statements – Continued
for the Year Ended 5th April 2025**

14. RELATED PARTY TRANSACTIONS

There were no related party transactions within the year.

15. COMMITMENTS

There were no outstanding commitments at 5th April 2025.

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 £85,936 (2024: £52,117). Contributions totalling £19,118 were payable to the fund at the Balance Sheet date (2024: £10,431).