



REGISTRAR'S COPY:
Please return to H.W. Fisher & Co.
www.hwfisher.co.uk



CREATIVITY ENTHUSIASM ENERGY VISION

FRIDAY



A51 13/12/2013 #126
COMPANIES HOUSE

Annual Report and Financial Statements

Year ended 31 March 2013

Charity registration no 1112339
Charity Registration no SC041210 (Scotland)
Company Registration no. 5609241 (England & Wales)

CHAIR'S REPORT

Mentor is a truly extraordinary organisation working at the nexus of policy, practice and research. No other charity in the UK delivers work of such national impact with an income of some £0.5m. Mentor protects the children and young people of the UK from alcohol and drug harms and inspires them to realise bolder ambitions, where they can use their skills and talents to the full.

In the last 12 months, Mentor has underlined its authority in alcohol and drug prevention through focused campaigning, insightful commentary and pioneering projects in England and Scotland. We have important relationships with Government, public health bodies, industry and national and local charities working with young people. In March we became the Scottish Government's strategic partner in kinship care and prepared to deliver the Department for Education's national information and advice service to schools across England.

We aim to develop and expand because Mentor is driven to achieve sustained change around prevention in the UK. We must be willing to invest in prevention and early intervention, before problems become so much more intractable.

Our projects benefit a huge cross section of society, including young offenders, school pupils, parents, local groups, grandparents and teachers.

Mentor builds on previous learning, enriched by emerging evidence from around the world. We create sustainable projects, whether through a peer education model, evaluation to make a robust case for commissioners, or a partnership with industry.

Trustees again wish to thank Chief Executive Paul Tuohy for his vision and commitment, and Mentor's staff for the peerless quality of their work. We also thank our funders, our partners, our volunteers and everyone who takes part in our projects.

Mentor is already doing so much for an exceptionally modest amount of money. With more support and resources, we could begin to see the evidence based prevention programmes, which have delivered so much in other parts of the world, introduced and brought to scale here in the UK.

I hope we can count on your support. Remember, an investment in Mentor is an investment in the future of our children.

Sim Scavazza
Chair – Board of Trustees

VISION A world that provides opportunities for the healthy development of children and young people free from the harm caused by drug misuse.

MISSION To prevent drug misuse and promote the health and well-being of children and young people.

MENTOR INTERNATIONAL

Mentor in the UK is part of Mentor International, a federation of independent non-government organisations around the globe working to prevent drug misuse and promote the health and wellbeing of children and young people, sharing knowledge and best practice.

THE CASE FOR PREVENTION

"I think a combination of education, also treatment programmes for drug addicts are the two most important planks of a proper anti-drug policy"

(David Cameron, March 2011)

Economic

The immediate costs in the UK of young people's drug use are estimated at over £100 million a year in crime and health costs, spiralling into the billions once drug and alcohol users develop entrenched problems in adulthood¹

PriceWaterhouseCoopers estimates that the lifetime cost of a problematic male drug user is over £827,000, or £859,000 for a female²

An alcohol misuse prevention programme in schools costing £75 million which resulted in 1.4% less alcohol consumption amongst young people would be a cost-effective public health intervention³

Health & Wellbeing

Heavy drinking during adolescence may affect normal brain functioning during adulthood⁴

Deaths from alcohol for 15 – 34 year olds in the UK have doubled in the last 20 years⁵ and the UK continues to have one of the most serious drug problems in Western Europe

Adolescent cannabis use predicts the onset of later illicit drug use and there is accumulating evidence linking cannabis use to psychosis⁶

Education

Adolescent drinking once or twice a week is associated with scores around 30 points lower (equivalent to 5 grades, or the difference between an A* and an E in one subject)⁷

A poor educational experience and drug misuse are closely linked. Truants have a significantly higher incidence of illegal drug use, underage drinking and smoking than non-truanting pupils and rates of substance misuse increase over time⁸

Crime

The link between substance misuse and offending behaviour is long established. A top priority for the Youth Justice Board is to reduce the number of young people who are involved with the youth justice service and regularly take drugs, solvents or alcohol. 80% of young male offenders say alcohol contributed to their offending⁹ and according to prisoner surveys at Scotland's national holding facility for young offenders aged 16-21, 77% were drunk at the time of their offence¹⁰

¹ Department for Education 2011

² PWC 2008

³ NICE 2009

⁴ Chief Medical Officer

⁵ ONS 2011

⁶ JECH 2011, BMJ 2004

⁷ DfE 2010

⁸ University of Edinburgh 2004

⁹ SPS 2009

¹⁰ HMP Polmont

PREVENTION: Where are we in 2013?

We believe that protecting children and young people from alcohol and drug harms requires an integrated approach involving young people themselves, families, schools and communities

In today's complex, 'always on' world, young people need skills to negotiate risky situations and resilience to pressures and setbacks. New drugs will continue to flow via the internet, celebrities will continue to suggest that consuming alcohol and drugs is cool, adult, rebellious. We protect our children by helping them develop age-appropriate knowledge and skills coupled to positive health values to decode the hype and the self-confidence to make their own decisions

Evidence-based programmes¹¹ which have delivered massive impact in other countries, wait on researchers' shelves in the UK. The programmes have been shown to reduce alcohol use among young people and to be a cost-effective public health intervention. They can also significantly reduce the use of tobacco and other drugs. By enhancing protective factors they help protect young people from diverse risky behaviours and may also improve educational outcomes

It is Mentor's goal to get these programmes and those of a similar calibre delivered to scale in the UK

Meanwhile, we work tirelessly to support parents, schools, and local groups to protect children and young people, take the evidence on cost savings to policy makers and commissioners and campaign for legislators to stop wasting public money on things that 'feel right' but don't actually

“Mentor stated unequivocally that 'we are spending the vast majority of the money we do spend on drug education on programmes that don't work'”

*Drugs breaking the cycle
House of Commons
Home Affairs Select Committee 2012*

work. Instead they must embrace evidence based prevention

MENTOR'S STRATEGY

Mentor is a small organisation with national impact. We achieve this by

- Garnering world class expertise in a specialist area over a decade to influence policy in drug and alcohol prevention and taking this to policy makers
- Unwavering business focus, we look for value and sustainability
- Networking and partnering to extend our reach to more children and young people

In summary, Mentor's impact on the national stage is significant. We now work with government in both England and Scotland, being proactively consulted on alcohol and drug issues and young people, are quoted in Parliament and the Scottish Assembly, and have excellent relationships with a number of influential bodies in the UK and Europe.

¹¹ See eg Centre for Analysis of Youth Transitions
<http://www.ifs.org.uk/centres/caytRepository>

REVIEW OF ACTIVITIES 2012 - 2013

PROJECTS

Breaking Out

This pioneering 3-year project aims to reduce reoffending rates by addressing the links between risky behaviours and alcohol amongst young male offenders

Building on Mentor's experience of creating effective, vibrant and self-sustaining peer education programmes in tough environments, we support offenders at HM Young Offenders Institution Polmont to develop their own 12-week peer education programme that focuses on alcohol issues and personal development

Those who complete the training are invited to develop and sustain the project.

Alcohol peer education has been used successfully in the community but there is as yet very little evidence on this approach in a custodial environment. Many of the peer educators have low self-esteem and some are coping with complex mental health problems and some can barely read or write

Breaking Out encourages and rewards group participation, focusing on communication and facilitation. As the group develops it becomes an environment where young men challenge themselves and each other in a positive way

“Accreditation involves extra work and is optional but highly popular, offering the chance to rethink seriously routes to education or employment ”

Gez Lawson, Breaking Out Project Manager

LINKS BETWEEN ALCOHOL, DRUGS & OFFENDING

The relationship between alcohol and crime, in particular violent crime, is widely acknowledged. Polmont prisoner surveys report that 77% were drunk when they offended and more than half said they were under the influence of drugs when they offended

Participants are young people from a wide range of backgrounds and demographics. During the course of their training and group work they share personal histories around alcohol and alcohol-related behaviour. This shared learning is then used to highlight the importance of making informed choices

Group discussion can challenge perceptions of what is 'normal' and acceptable around alcohol use and misuse

Breaking Out is funded by Comic Relief, the Robertson Trust and the Gannochy Trust

London Youth Involvement Project (LYIP) 2010 - 2013

Our objective was to improve drug and alcohol prevention policy and practice in the capital by giving young people a genuine voice within prevention services, and equipping them with the skills and confidence to take their views to commissioners. LYIP was a 3-year project funded by the City Bridge Trust and the Peter Cruddas Foundation which completes in summer 2013

During the life of the project, the structure and personnel of commissioning agencies and funding changed radically. The young volunteers spent considerable time thinking

in depth about these changes, and about reaching their peers because they aimed to be truly participatory. Well over 1,000 young people were involved in developing ideas for drug prevention work over the course of the project. In this final year, young people participated in focus groups; in training led by Youth Advisors, attended the Mentor Youth Conference, kept in touch with us on Twitter, and contributed to consultation around resources.

The result is the stunningly authentic and powerful voice of many young Londoners on a topic where they are rarely, if ever, consulted as equals. This is the first time, we would argue, that a serious attempt has been made to consult the community of young people who are (or should all have the opportunity to be) prevention service users.

In February 2013, Youth Advisors invited to the final conference representatives from the London Drug and Alcohol Policy Forum, NICE, the Department of Health, the GLA, service commissioners, charities, youth and health workers, representatives from the MET, researchers, teachers, parents, and alcohol industry representatives. The conference attracted over 100 delegates who endorsed all the LYIP draft recommendations. Following the conference, Youth Advisors then met with the London Drug and Alcohol Policy Forum and Diana Johnson MP to discuss their work and the recommendations with those in a position to campaign for real and lasting change for young people's drug and alcohol prevention work.

*"The presentation style and quality of spontaneous responses to hard questions were very good and show the maturity and hard work of the young people" –
Conference Delegate*

WHAT YOUNG PEOPLE SAID ABOUT DRUG EDUCATION IN SCHOOLS:

*"A set curriculum leads to set rules,
leads to equal standards for
everyone"*

*"If you get good drug education, you
can make informed choices"*

Safer at School, London Youth

Evidence from LYIP is quoted at our meetings with policy makers and is instrumental in enhancing our expert standing in prevention at national and European level.

The project has spawned a new body of work for Mentor, *That Can Be Me*.

A full project report can be downloaded from our website.

Note. We are delighted that The City Bridge Trust has now agreed to fund a development of this project over the next two years.

Families Together

Mentor in Scotland continues its groundbreaking work with kinship carers, with a three-year project funded by The Big Lottery to deliver tailored support to 180 vulnerable kinship care families

Families Together creates a sustainable support network that can be recreated in other parts of the country

Kinship carers are fulltime carers of the child of another member of the family. Many kinship carers are grandparents and many of the children they care for—as many as six in 10, have parents who are abusing drugs or alcohol

Mentor has worked with kinship care families since 2008 and has a deep understanding of this, often ignored group. We have helped carers nationally to set up self-help groups and train health and social workers to recognise and meet the unique needs of kinship carers

Scottish Government funded the second edition of our Guide for Kinship Carers, which was distributed to 10,000 carers around the country

With policy makers and partners, Mentor is working to introduce a standard of excellent support for kinship carers and to ensure that their contribution to national life is recognised and properly supported

Note. Mentor's expertise was formally recognised by Scottish Government in May 2013 when Mentor became its strategic partner in kinship care.

Mentor Scotland's ground breaking Kinship Carers Guide inspired a Guide for kinship carers in England produced by Mentor and the charity Grandparents Plus in June 2013

“At the start of our Families Together project, eight in 10 kinship carers told us they had no knowledge of other services and no access to helpful information. They felt unsupported, unappreciated and were worried about money.

“Twelve months later, 94% of the kinship carers we worked with were happy and confident in their role and eight in 10 told us the children they cared for had grown in confidence and had a positive future ahead ”

Heather McVeigh
Scotland Manager

Resources for Schools

At the beginning of the year, funding ceased for the much-valued Drug Education Forum, for which Mentor provided the secretariat for eight years. However, the Department for Education recognised that schools need advice and support to deliver effective drug and alcohol education and awarded Mentor some funding for this

During the year, Mentor produced a significant number of well received resources

- Toolkits for schools reviewing their drugs policy
- Two oversubscribed practitioner seminars, which were also made available online
- A presentation for school governors, viewed 1,608 times in the month of upload

- A suite of five 'Thinking Prevention' briefing papers, linking drug and alcohol education and prevention to young people's outcomes. Mentor was then invited to present key points at a Kings Fund seminar in March on improving public health outcomes.

A professional working with young people in schools told us,

"I am enthusiastic and somewhat desperate for a resource like this in Nottinghamshire."

At the end of the year, Mentor won the DfE tender to deliver information and advice on drug education to schools in England over the next two years. This was the only Government funding awarded for schools' drug education.

Alcohol and Offending & Deprivation

In partnership with Alcohol Concern, Mentor is researching the connections between alcohol misuse, young people getting into trouble and their involvement in the youth justice system.

One hypothesis is that if bullying is tackled earlier and more robustly, it could have an effect on whether young people begin drinking at an earlier age, and consequently getting into trouble.

Mentor is working with Youth Offending Teams across London, interviewing 50 young people to better understand their experience of school, the impact where they live has had, and what part alcohol plays in their lives.

At the end of this 12-month project we are looking for even better outcomes for young people, to influence change in schools, especially around dealing with bullying, and to campaign for improved alcohol regulation.

This project is funded by the Trust for London.

Young STAND Awards 2013

Mentor is a small charity but committed to doing everything possible to help schools and local groups deliver great projects to protect young people from alcohol and drugs.

In 2013, Mentor and SCPHRP, the Scottish Collaboration for Public Health Research & Policy, set up Young STAND, a scheme to publicise the work of local organisations and to reward the very best. The Awards are intended to improve networks and support for local initiatives, and to help projects improve through evaluation clinics.

"Such a brilliant day, with great examples of fantastic work across Scotland. These young people are inspirational and I can't wait until the next round of awards to see more projects being promoted and rewarded for their hard work."

Campaigning for evidence based drug education in schools

We campaign on the specific issue of getting evidence-based alcohol and drug education into schools. We are working in partnership alongside with other NGOs to achieve this. This is not a quick win but a longer term strategic goal and we are making good headway. We know, meet, advise and are quoted by the legislators supporting this policy in the House of Commons and House of Lords. We have a longstanding relationship with the Department for Education and our media profile is rapidly increasing.

“In December, the first Home Affairs Report on Drugs Policy in a decade referenced written and oral evidence submitted by Mentor, “ the Drugs Strategy’s vision of high-quality drug and alcohol education for all young people was not happening ”

*Drugs breaking the cycle
House of Commons
Home Affairs Select Committee 2012*

INCOME

Our overall income for 2012-13 was significantly lower than the previous year. In 2011 – 12, we received on behalf of a partnership of national and local charities, over £800k as a one-off grant from the Home Office, and the balance of an EU funded project. The overall reduction in income this year masks an increase in our voluntary income by 22% in a very tough economic climate.

Our income comes from two main sources: statutory funding and trusts and foundations, with a small amount from corporate and individual donors.

Statutory	156,317
Trusts & Foundations	276,463
Other	11,640
Total	444,420

EXPENDITURE

Charitable expenditure, that is money directly spent to protect children and young people from the harms of drugs and alcohol, represented 91 % of our total expenditure in 2012 – 13, over eight different projects. Our work in Scotland has increased and now corresponds to almost 50% of our total spend on charitable activities, an unmistakable sign of the impact of our work there.

Fundraising accounted for 5% of our total expenditure and returned on a ratio of 15:1.

Fundraising

In an extremely difficult climate, Mentor has made solid progress in accessing project funding from statutory sources and trusts and foundations. We have achieved stability through a number of successful multi-year funding applications, including the Big Lottery and to Comic Relief, both for three-year projects running from 2012 – 2015. In addition, Mentor secured two years funding from both Scottish Government and the Department for Education and a further three years core funding from the Dorset Foundation. The Robertson Trust and Gannochy have both kindly agreed to continue their project funding. After the financial year ended, we learned we had also secured a further two years funding from City Bridge.

We are most grateful to the Esmée Fairbairn Foundation for funding the post of our policy and communications officer over the last three years. This has enabled Mentor's communications, including website, social media and print, to become an integral part of fundraising, as well as a delivery conduit for many of our services and resources.

Mentor is now building its case to secure more support from the corporate sector, in particular core funding which will precipitate the step change that is so close.

We are very grateful to all our supporters, including those who wish to remain anonymous.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

Mentor Foundation UK is a registered charity and company limited by guarantee, governed by its Memorandum and Articles, dated 1 November 2005

The Trustees (and Directors for the purposes of law), include current and former Parliamentarians, international business people, a senior legal practitioner and senior academic. Several Trustees have extensive charity management experience and sit on the boards of other charities. All share a common passion and commitment to Mentor's mission.

Each Trustee is provided with an induction pack, which includes Charity Commission guidance on the roles and responsibilities of charity trustees. The Board endeavours to ensure that it maintains an appropriate mix of skills and experience to enable it to fulfil its mission, and also to ensure that it adequately represents the communities it serves and takes the appropriate steps to fill gaps in the necessary skills.

During 2013-14 the Board will be undertaking a complete governance review, to ensure that arrangements are fully aligned with current best practice.

Staffing

The Chief Executive, Mr Paul Tuohy, is accountable to the Board of Trustees, chaired by Sim Scavazza, and manages other Mentor staff (ten in 2012 - 13). Some tasks were undertaken by external contractors.

REFERENCE AND ADMINISTRATIVE DETAILS AND FINANCIAL INFORMATION AND STATEMENTS

Trustees

Sim Scavazza (Chairman)
Colin McCleod (*appointed January 2012*)
The Rt Hon the Lord Mancroft
Lady Louise O'Connor (*resigned September 2011*)
Martin Paisner
Paul Saville-King (*appointed January 2012*)
The Hon Sir David Sieff
Sir Jack Stewart Clark
Helen Watson
Dr Astrid Wissenburg (*appointed Dec 2012*)

Chief Executive

Paul Tuohy

Registered Office

1st Floor
67-69 Cowcross Street
London EC1M 6PU

Professional Advisors

Auditors
H W Fisher & Company
Acre House
11-15 William Road
London NW1 3ER

Bankers
HSBC
90 Baker Street
London W1M 2AX

Solicitors
Berwin Leighton Paisner
Adelaide House
London Bridge
London EC4R 9HA

Finances

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Memorandum and Articles of Association, the Companies Act 2006, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Review of the Financial Position

In 2012-2013 substantial funding was gratefully received from the following

Big Lottery Fund, City Bridge Trust, Comic Relief, Dorset Foundation, Department for Education, Esmée Fairbairn Foundation, Gannochy Trust, Robertson Trust.

Our grateful thanks to all donors, particularly those who elected to remain anonymous, and to individuals who have supported Mentor's work

Reserves Policy

The Board of Trustees has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between three and six months core costs, which for 2012 - 13 equated to a minimum of £143,000 in general funds

Trustees recognise the need to prioritise fundraising for unrestricted grants and donations so as to reinstate unrestricted reserves to at least three months' running costs as soon as possible. However, some of our core costs are covered by restricted income. So the level decided upon is intended to offset any fluctuations in receiving payments of grants and to ensure that other restricted funds are not used

The total reserves, including restricted funds, still falls short of the agreed minimum and our challenge during 2013-14 is to ensure that the target is reached

Investment Policy

The charity currently retains surplus funds in low risk, easy access accounts in order to accommodate variable cash-flow. It will review its investment policy at least annually.

Risk Management

The Board of Trustees is required to assess the major risks to which the charity is exposed and establish systems to mitigate these risks. The Board is also required to ensure that the charity complies fully with the law and eliminates all risk of breaching the law. Mentor Foundation UK has a Risk Management and Legal Compliance Strategy that comprises identification of risks, evaluation of their potential impact, design of risk management and legal compliance programmes followed by implementation and review points. The primary risk during the year was the financial stability of the charity

Asset cover for funds

Note 10 sets out an analysis of the assets attributable to the various funds and a description of the trusts. These assets are sufficient to meet the charity's obligations on a fund by fund basis

Public benefit statement

The sections of this report above entitled 'Review of Activities' sets out Mentor Foundation UK objectives and reports on the activity and successes in the year to 31 March 2013 as well as explaining the plans for the current financial year. Mentor's work benefits children and young people, teachers, health professionals, and families.

The Directors have considered this matter and concluded

- 1 That the aims of the organisation continue to be charitable,
- 2 That the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need,
- 3 That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay, and
- 4 That there is no detriment or harm arising from the aims or activities

Disclosure of information to auditors

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.


Re-appointment of auditors

H W Fisher & Company were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006 a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the Board of Trustees

Sim Scavazza

Chair



Dated

5.12.13

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Foundation and of its incoming resources and application of resources, including its net income and expenditure for the year

In preparing these accounts, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- make judgments and estimates that are reasonable and prudent,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Foundation 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 Foundation and which enable them to ensure that the accounts comply with the Companies Act 2006 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**MENTOR FOUNDATION UK (A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MENTOR FOUNDATION UK**

We have audited the accounts of Mentor Foundation UK for the year ended 31 March 2013 set out on pages 16 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement on page 14, the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Chapter 2 of Part 16 of the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under these Acts. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of

the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013, and of its incoming resources and application of resources, including 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

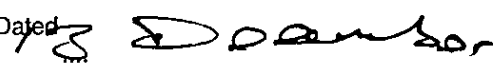
In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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 our audit.

**S P Mehta (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company
Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London NW1 3 ER
United Kingdom**

Dated 
2013

MENTOR FOUNDATION UK

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2013

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012
		£	£	£	£
Incoming Resources					
Incoming resources from generated funds.					
Voluntary Income	2	94,157	301,698	395,855	324,109
Investment Income		127	-	127	44
		<u>94,284</u>	<u>301,698</u>	<u>395,982</u>	<u>324,153</u>
Incoming resources from charitable activities		-	47,164	47,164	1,012,557
Other Income		1,274	-	1,274	3,505
		<u>1,274</u>	<u>-</u>	<u>1,274</u>	<u>3,505</u>
Total Incoming Resources		<u>95,558</u>	<u>348,862</u>	<u>444,420</u>	<u>1,340,215</u>
Resources Expended					
Costs of generating funds					
Fundraising & Publicity costs	3	28,799	-	28,799	33,111
		<u>28,799</u>	<u>-</u>	<u>28,799</u>	<u>33,111</u>
Net income available for charitable activities		<u>66,759</u>	<u>348,862</u>	<u>415,621</u>	<u>1,307,104</u>
Charitable activities:					
Education		15,710	155,486	171,196	194,763
Research		-	94,973	94,973	99,149
Prevention		-	255,447	255,447	924,947
		<u>15,710</u>	<u>505,906</u>	<u>521,616</u>	<u>1,218,859</u>
Total Charitable Activities		<u>15,710</u>	<u>505,906</u>	<u>521,616</u>	<u>1,218,859</u>
Governance	3	20,118	-	20,118	19,218
		<u>20,118</u>	<u>-</u>	<u>20,118</u>	<u>19,218</u>
Total Resources Expended		<u>64,627</u>	<u>505,906</u>	<u>570,533</u>	<u>1,271,188</u>
Net Income for the year					
- Before transfers		30,931	(157,044)	(126,113)	69,027
Transfers between funds		3,159	(3,159)	-	-
		<u>34,090</u>	<u>(160,203)</u>	<u>(126,113)</u>	<u>69,027</u>
- After transfers		<u>34,090</u>	<u>(160,203)</u>	<u>(126,113)</u>	<u>69,027</u>
Reconciliation of Funds					
Balance brought forward at 1 April 2012		(14,158)	180,022	165,864	96,837
		<u>(14,158)</u>	<u>180,022</u>	<u>165,864</u>	<u>96,837</u>
Balance carried forward at 31 March 2013		<u>19,932</u>	<u>19,819</u>	<u>39,751</u>	<u>165,864</u>

All gains and losses arising in the year are included in the Statement of Financial Activities and arise from continuing operations

The notes on pages 18 to 23 form part of these financial statements

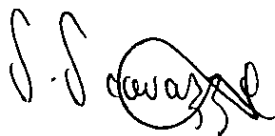
MENTOR FOUNDATION UK

BALANCE SHEET AS AT 31 MARCH 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed Assets					
Tangible assets	5	8,884		5,604	
			8,884		5,604
Current Assets					
Debtors	6	7,562		26,899	
Cash at bank and in hand		82,921		216,370	
		<u>90,483</u>		<u>243,269</u>	
Creditors: Amounts falling due within one year	7	<u>(39,616)</u>		<u>(63,009)</u>	
Net Current Assets			<u>50,867</u>		<u>180,260</u>
Total assets less current liabilities			59,751		185,864
Creditors: amounts falling due after more than one year	8		<u>(20,000)</u>		<u>(20,000)</u>
Net assets			<u><u>39,751</u></u>		<u><u>165,864</u></u>
Funds Balances					
Unrestricted Funds					
General Fund			19,932		(14,158)
Restricted Funds					
	9		19,819		180,022
			<u><u>39,751</u></u>		<u><u>165,864</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 5.12.13 and signed on its behalf by

Ms Sim Scavazza (Chairman)



The notes on pages 18 to 23 form part of these financial statements

Company registration no: 5609241

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting Policies

a) Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice (2005) (SORP) "Accounting and Reporting by Charities", issued by the Charity Commission, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, the Companies Act 2006 and the requirements of the Memorandum and Articles of Association

b) Incoming resources

Voluntary income and donations are accounted for on an accruals basis. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs

Gifts in kind are valued on the basis that resources are to be the estimated value to the charity of the service, being the price the charity estimates it would pay in the open market for the service

c) Resources expended

All expenses are accounted for on an accruals basis. Wherever possible costs are allocated directly to the appropriate activity, other costs common to all activities are apportioned between those activities on a basis which the trustees believe gives a fair allocation of the activity costs

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the Foundation's work. This includes the cost of advertising for donations and the staging of special fundraising events. Expenditure incurred in connection with the specific objects of the charity is included under the heading *charitable activities*

Expenditure on *governance* of the Foundation includes all costs relating to regulatory compliance and the strategic direction of the charity

d) Pension costs

Mentor UK operates a group personal pension plan and contributes 3% of employees gross salary to a personal pension plan for each employee. The cost of providing pensions for employees is charged to the Statement of Financial Activities in the year in which the contributions are paid. The assets of the scheme are held separately from those of the charity in an independently administered fund

e) Tangible fixed assets and depreciation

Fixed assets are recorded at cost or, in cases where assets have been donated to the Foundation, at valuation at the time of donation. All assets acquired for continuing use and costing more than £500 are capitalised

Provision is made for depreciation on all tangible assets, at rates calculated to write off the asset, less estimated residual value, over its expected life as follows

Computer and Office Equipment - 25% per annum on a straight line basis

f) Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and have not been designated for other purposes

Designated funds comprise funds which have been set aside by the trustees for particular purposes

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 cost of raising and administering such funds are charged against the specific fund

g) Taxation

The Foundation is an exempt approved charity in accordance with the Income and Corporation Taxes Act 1988

h) Operating lease rentals

Rentals in respect of operating leases are charged to the Statement of Financial Activities as incurred

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

2	Voluntary Income	Unrestricted £	Restricted £	2013 £	2012 £
	Donations and gifts	<u>94,157</u>	<u>301,698</u>	<u>395,855</u>	<u>324,109</u>

3	Total Resources Expended	Direct costs £	Staff costs £	Allocated costs £	Total Funds 2013 £	Total Funds 2012 £
	Cost of generating funds					
	Fundraising and publicity costs	604	24,022	4,173	28,799	33,111
	Charitable activities					
	Drug related projects	89,594	367,312	64,710	521,616	1,218,859
	Governance	9,159	9,121	1,838	20,118	19,218
		<u>99,357</u>	<u>400,455</u>	<u>70,721</u>	<u>570,533</u>	<u>1,271,188</u>

Allocated costs	Drug Related Projects £	Fundraising £	Governance £	Total funds 2013 £	Total funds 2012 £
Other Staff Costs (1)	8,565	553	243	9,361	16,006
Office Costs (2)	46,110	2,973	1,310	50,393	48,094
Depreciation	3,488	225	99	3,812	2,204
Communications & International activities (3)	<u>6,547</u>	<u>422</u>	<u>186</u>	<u>7,155</u>	<u>4,617</u>
	<u>64,710</u>	<u>4,173</u>	<u>1,838</u>	<u>70,721</u>	<u>70,921</u>

- (1) These costs are allocated in proportion to staff costs for each area and include recruitment and contractors costs
(2) Office costs are allocated on the basis of time spent on each activity area
(3) International activities includes a subscription to Mentor International of £7,155 (2012 £1,426)

Governance costs

Direct governance costs include audit fees of £3,200 (2012 £3,000) and £1,368 (2012 £906) for other services

Staff costs comprise	2013 £	2012 £
Wages and salaries	356,368	272,987
Social security costs	36,271	28,763
Pension costs	7,816	10,069
	<u>400,455</u>	<u>311,819</u>

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

The average number of employees, analysed by function, was		2013	2012
		No	No
Fundraising		1	1
Drug related projects		12	8
		<u>13</u>	<u>9</u>
The number of employees whose annual emoluments were £60,000 or more were		2013	2012
		No	No
£60,000 to £69,999		-	-
£70,000 to £79,999		1	1
		<u>1</u>	<u>1</u>
4	Trustees		
	No trustees received remuneration during the year (2012 none) Expenses reimbursed to Trustees during the year amounted to £nil (2012 £nil)		
5	Tangible Fixed Assets	Fixtures, fittings & equipment £	
	Cost		
	At 1 April 2012	11,537	
	Additions	<u>7,092</u>	
	At 31 March 2013	<u>18,629</u>	
	Depreciation		
	At 1 April 2012	5,933	
	Charge for year	<u>3,812</u>	
	At 31 March 2013	<u>9,745</u>	
	Net book value		
	At 31 March 2013	<u>8,884</u>	
	At 31 March 2012	<u>5,604</u>	
6	Debtors	2013	2012
		£	£
	Other debtors	678	1,577
	Prepayments and accrued income	6,884	25,322
		<u>7,562</u>	<u>26,899</u>

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

7 Creditors amounts falling due within one year	2013 £	2012 £
Taxes and social security costs	10,619	7,661
Other creditors and accruals	28,997	55,348
	<u>39,616</u>	<u>63,009</u>
8 Creditors amounts falling due after more than one year	2013 £	2012 £
Future Builders development loan	<u>20,000</u>	<u>20,000</u>
Analysis of loans		
Wholly repayable within five years	<u>20,000</u>	<u>20,000</u>
Loan maturity analysis		
In less than one year	-	-
In more than one year but not more than two years	-	-
In more than one year but not more than two years	-	-
In more than five years	<u>20,000</u>	<u>20,000</u>
	<u>20,000</u>	<u>20,000</u>

During 2008-09 the charity received funding for a project from Futurebuilders, part of which was treated as a loan. The project was halted when it was identified that project outputs were unlikely to be self-financing, and an agreement has been reached with Futurebuilders to repay part of the loan, subject to a review of annual performance. The £20,000 residual value is carried forward at 0% with no current defined repayment terms, however this is subject to the annual review of performance forementioned.

9 Restricted Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held for specific purposes

		1 April 2012 £	Incoming resources £	Resources expended £	Transfers £	31 March 2013 £
Breaking Out (a)		-	89,932	93,555	-	(3,623)
Families Together (b)		-	96,417	90,395	-	6,022
Policy Officer salary (b)		1,063	25,000	24,987	-	1,076
Scotland		-	26,377	31,540	5,163	-
CHAMP		-	-	3,470	3,470	-
Home Office - Street Talk		72,756	-	72,877	121	-
EU Rebound Project		(4,129)	4,355	3,396	3,170	-
European Union Kinship Carers (c)		-	15,545	136	(15,409)	-
ADEPIS (a)		-	40,000	42,427	-	(2,427)
Drug Education Forum		48,688	-	49,014	326	-
IT Equipment & Website Development		1,400	7,164	8,564	-	-
Alcohol Concern Partnership (a)		-	6,072	6,676	-	(604)
Youth Projects (b)		60,244	38,000	78,869	-	19,375
		<u>180,022</u>	<u>348,862</u>	<u>505,906</u>	<u>(3,159)</u>	<u>19,819</u>

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

9 Restricted Funds (continued)

Breaking Out is a project undertaken at Polmont Prison in Scotland, and is jointly funded by Comic Relief, the Robertson Trust, the Gannochy Trust and the Arabella Duffield Trust
 Families Together is a project in Scotland funded by the Big Lottery
 Funding for a Policy Officer was received from the Esmee Fairbairn Charitable Trust
 CHAMP is a project that has now ended and was funded by Diageo UK Ltd
 The Street Talk project was a collaborative project with Addaction and 12 other partner charities, previously funded by the Home Office
 Mentor UK is a partner with Hedelberg University for the Rebound project, which is also funded by the EU
 Mentor UK, a lead partner of six other countries for European Kinship Carers project, received funding from the European Union in the framework of The Public Health Programme for expenditure in the previous financial year
 Funding was received in 2012-13 from the Department for Children Schools & Families (DCSF) for the ADEPIS (Alcohol & Drug Education & Prevention Service) project, which evolved from the Drug Education Forum
 The partnership with Alcohol Concern relates to a project funded by Trust for London
 The London Youth Involvement project was funded by the City Bridge Trust

(a) denotes projects where expenditure has exceeded income during the year, which will be allocated to income received during 2013-14

(b) refers to income received during 2012-13 which will be expended in 2013-14

(c) the transfer to unrestricted funds recognises a transfer made from unrestricted funds to this project in 2011-12 of £45,823, as we assumed at the time that no further income was due

All other transfers from unrestricted funds to projects are where expenditure has been incurred against a project that is no longer funded

10 Analysis of Net Assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances as at 31 March 2013 are represented by			
Tangible Fixed Assets	8,884	-	8,884
Current Assets	70,664	19,819	90,483
Creditors amounts falling due within one year	(39,616)	-	(39,616)
Creditors amounts falling due after more than one year	(20,000)	-	(20,000)
	<u>19,932</u>	<u>19,819</u>	<u>39,751</u>

11 Commitments under operating leases

At 31 March 2013 the charity had annual commitments under operating leases as follows

	2013 £	2012 £
Buildings		
Leases which expire within one year	26,131	-
Leases which expire within two to five years	75,848	-
	<u>101,979</u>	<u>-</u>

12 Legal Status

The charity is a company limited by guarantee. In the event of the company being wound up the guarantee is limited to £1 per member

MENTOR FOUNDATION UK

13 Related party transactions

The charity paid Berwin Leighton Paisner LLP £3,027 (2012 £3,192), which is controlled by Martin Paisner (trustee), for their services to help finalise the new property lease agreement