

MENTOR FOUNDATION UK

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CREATIVITY ENTHUSIASM ENERGY VISION

Annual Report and Financial Statements

Year ended 31 March 2012

Charity registration no 1112339

Charity Registration no SC041210 (Scotland)

Company Registration no 5609241 (England & Wales)

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COMPANIES HOUSE

CHAIR'S REPORT

Mentor does amazing work to protect children and I am proud to be the Chair

I hope that this report gives you an insight into the extraordinary achievements over the past 12 months and our plans for the future

Drugs and alcohol destroy lives and communities. That's something Mentor is determined to stop. Despite the many millions invested in treatment, the number of problematic drug users remains stubbornly high.¹ Young people today are under huge pressure to misuse alcohol and experiment with drugs, and until we invest in prevention, the intake of those misusing substances will continue at current levels.

Every young person in the UK should have access to effective alcohol and drug education and we are working with young people, parents and carers, schools, MPs, commissioners, national and grassroots organisations and the prevention community to achieve this.

The last 12 months have seen a step change at Mentor. The organisation has helped thousands of young people nationwide and addressed hundreds of influencers and legislators. Mentor is more ambitious, more outward facing and more confident. This is reflected in major new funding which will continue to 2015, achieved in a very difficult financial climate. The Board wishes to thank Chief Executive Paul Tuohy for his vision and commitment, and the wholehearted support of staff and volunteers.

I thank all our supporters during the year, who include our funders, our partners, our volunteers and all those who participate in our projects.

The challenge to promote prevention as a formidable tool in the armoury to fight against drugs and alcohol misuse continues. I and my fellow trustees earnestly hope you will support our work.

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

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

¹ NTA 04-05, 08-9

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 adulthood²

PriceWaterhouseCoopers estimates that the lifetime cost of a problematic drug user is over £827,000³

US Government reports that for every \$1 invested in effective prevention, \$18 is saved in the associated costs borne by society⁴

Health & Wellbeing

Heavy drinking during adolescence may affect normal brain functioning during adulthood⁵

Deaths from alcohol for 15 – 34 year olds in the UK have doubled in the last 20 years⁶ 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 psychosis⁷

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)⁸

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 time⁹

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 offending¹⁰ 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 offence¹¹

² Department for Education 2011

³ PWC 2008

⁴ Center for Substance Abuse Prevention, Substance Abuse and Mental Health Services Administration, 2008

⁵ Chief Medical Officer

⁶ ONS 2011

⁷ JECH 2011, BMJ 2004

⁸ DfE 2010

⁹ University of Edinburgh 2004

¹⁰ SPS 2009

¹¹ HMP Polmont

PREVENTION: WHAT WORKS?

No single action can prevent a young person experimenting with alcohol or drugs

We argue for a holistic approach across family, school and community, which also involves legislators. This integrated approach should be designed to increase protective factors and reduce risky behaviour, making young people less likely to come to harm through alcohol and drugs

Research has identified what makes young people vulnerable to using drugs and alcohol; for example, being in trouble at school, having friends who take drugs and drink, starting to smoke early and staying out late without parents' knowledge. Factors that can protect are good family relationships, clear rules and boundaries, and positive school environments

We believe it necessary to

- Support parents and carers to educate their children about alcohol and drugs
- Support schools to deliver evidence based drug education
- Support communities to stop children accessing alcohol and drugs

We promote only evidence based programmes. They may be

- *Universal* – aimed at all children and young people
- *Targeted* – for higher risk groups
- *Indicated* – for young people at the early stages of drug use, but before they become dependent

All our projects are evaluated and help to build the evidence base of what works

We want to shift resources away from approaches which have been shown not to work to ones that do. Attempting to

"One [kinship] carer spoke of her concerns for her grandson who had witnessed years of his father's drug abuse. Her grandson had mentioned why his parents took drugs or alcohol

"It helps them feel better and they liked the danger."

This, she commented, made her anxious that over time he too may wish to experience 'danger'."

Needs and support in kinship care families
Mentor 2011

scare young people away from drugs is simply a waste of time and money, whereas there are programmes that build the lifeskills of young people. Their positive effects have been shown to continue many years after the programmes were delivered

PREVENTION: THE CURRENT CLIMATE

Lip service is paid to prevention but in reality it is very much the poor relation to treatment and enforcement

Government spending on drug education fell by £4.5 million between 2007 and

We received replies to over 600 of the surveys our team had designed and we were pleased but also displeased to find that we were right. We found that 1 in 5 people had not received drug education, 66% only received it less than once a term and only 24% of the people surveyed felt they received adequate drug education. All these shocking figures prompted us to want to alert people to these facts and so we set about planning our conference

16-year old Mentor Youth Advisor

2011 Less than two thirds (60%) of secondary school pupils could recall a drug education lesson in the past year ¹²
Teachers acknowledge that schools' drugs policies are rarely implemented and that drug education is not a priority ¹³

A survey by young people involved in our London Youth project confirmed national research findings

I am 16 years of age, colouring pictures of smiley face Ecstasy tablets will not make me less inclined to take it
Mentor Youth Advisor

Drug education in England falls within the PSHE (Personal, Social, Health and Economic Education) curriculum, which is not mandatory PHSE lessons need not be taught by trained teachers Drug education lessons may be based on scare tactics, knowledge-only approaches or delivered by ex-users not working to an evidence based programme, approaches we know are ineffective and sometimes counterproductive Yet these may be the only drug education lessons children get

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
- Integrity and rigour, our work is independently evaluated
- Unwavering business focus, our programmes include built in sustainability
- Networking and partnering to forward our cause and to promote the use of evidence based initiatives that are proven to increase the wellbeing of young people

¹² NHS 2010

¹³ Int Jnl Drug Policy 2010

REVIEW OF ACTIVITIES 2011-2012

HIGHLIGHTS 2011 – 2012

- Street Talk project builds capacity at 20 local organisations, reaches 800 vulnerable young people in six months
- Called to give oral evidence to the Home Affairs Select Committee
- Scottish Government commissions 2nd edition of the Kinship Care Guide to 10,000 carers

Street Talk

Street Talk was a pioneering national partnership between Mentor and Addaction, the UK's leading specialist drug and alcohol treatment charity. Street Talk was the largest tranche of funding awarded through the Home Office Choices programme, of which £500,000 was awarded to 20 local organisations to build capacity and sustainability.

Street Talk trained staff and volunteers at grassroots organisations to deliver a brief intervention to reduce substance misuse among young people, and associated risks including criminal activity and anti-social behaviour. Organisations then cascaded training internally.

"Street Talk is a fantastic addition to our work" Tanya Samuel MBE, CEO
Concrete Canvas Arts

A Smart Phone app was specially designed to capture data and measure intention to change.

We found the app worked really well. This is the medium young people are used to.
Zak Darwood, P3

The project was visited mid term by Lord Henley, Minister of State for Crime Prevention and Anti-Social Behaviour.

In six months, Street Talk reached 2,000 young people at risk from substance misuse and associated offending, finding that one fifth of those receiving the intervention were considered to be at severe risk as a result of misusing substances, whilst almost half (44%) were at high risk. After the brief intervention 70% of the 800 young people who received it demonstrated a positive and high intention to change their risky behaviour. Mentor and Addaction are now working to develop this promising project.

Work with industry – The Responsibility Deal

Mentor co-chairs the working group to develop a pledge to deliver alcohol education as part of the Government's Public Health Responsibility Deal. During the past 12 months Mentor has

- worked with an internationally renowned expert to determine the most effective programmes,
- developed relationships with industry which are expected to lead to substantial funding for these programmes
- underscored our credentials as experts in the field with the Department of Health and Department of Education

Influencing Policy

Mentor has been much more visible to policy makers in 2011- 12. From being a well-kept secret, consulted but rarely or never quoted, Mentor has become a go-to source of evidenced information, incisive quotes and thoughtful commentary in the prevention world. In the past year, Mentor has

- co-chaired the education sub-committee on alcohol education for the government's Public Health Responsibility Deal
- submitted evidence to the Department of Health's Children and Young People's Health Outcomes Forum
- provided evidence to the Advisory Council on the Misuse of Drugs for their report on cocaine
- been invited to give oral evidence to the All Party Parliamentary Group on Drug Policy Reform

Mentor has held individual meetings with Members of Parliament and Members of the House of Lords from across the political spectrum to make the case for investment in evidence based drug and alcohol prevention. Subsequently, MPs, including members of the opposition front bench, have written to Ministers on Mentor's behalf.

Kinship Carers – Families Together

Mentor in Scotland continued its groundbreaking work with kinship carers, publishing a government-sponsored edition of the Kinship Carers Guide, training professionals and helping establish self-sustaining grassroots support groups.

Mentor's publication *Needs and Support in Kinship Care Families* was a significant

element in helping Mentor to win £392,875 of funding from The Big Lottery for a three-year project which starts in July 2012. Families Together will help build family relationships and emotional resilience in kinship care families, where members may struggle under the burden of unacknowledged financial, emotional and practical problems. Families Together is designed to deliver a sustainable intervention to help kinship care families throughout Scotland.

London Youth Involvement Project

LYIP brings together a group of young people as volunteer youth advisors for Mentor, to offer their views on the health and social issues relevant to drug prevention. The project works directly with 15 youth advisors and has reached more than 1,000 people across the capital.

During the second year of this three-year project, young volunteers surveyed secondary schools across London and uncovered a shocking paucity of good drug education, which they exposed in film and print. The findings were launched at a seminar organised and hosted entirely by young people, and attended by 42 policy makers, professionals, youth workers and agency representatives at the offices of the Diana, Princess of Wales Memorial Fund in February.

"One of the most impressive, inspiring and encouraging things I have been to in years. Really was excellent and all concerned deserve congratulations."
GLA representative

In the final year, the young people will be talking to commissioners and influencers and to more young people, to champion the urgent need for good drug education.

Peer Education – Breaking Out

Mentor's two-year Peer Education Alcohol Project established that peer education can indeed change young people's attitudes to drinking. Three peer educators from the project spoke at a Joseph Rowntree Foundation conference in June 2011 about their powerful experiences.

More young volunteers in Scotland were trained and supported during the year to deliver free school and community alcohol education, and Mentor staff cascaded training to 35 practitioners across Scotland.

Mentor's expertise in peer education meant that at the end of the year, Comic Relief confirmed they would match fund a three-year peer education project in HMP Polmont. The balance of funding is from The Robertson Trust and Gannochy Trust.

Drug Education Forum

Mentor continued to host and manage the Drug Education Forum, the independent national voice for drug education in England. The Forum provided an information service and opportunity for professionals and interested parties around the country to learn about the latest academic research, policy thinking and best practice in drug and alcohol education. The Forum reached over 10,000 frontline professionals and included members from across education, local government, the health service and voluntary sectors.

During the year, Mentor provided the following member services:

- six papers for teaching drug education in schools and other settings
- a weekly newsletter

- members' briefings on policy development and hot topics
- two seminars on research and practice

Funding for the Drug Education Forum was not renewed by the Department of Education at the end of the year.

Mentor has secured this legacy of knowledge for the future and individuals can access pages, policy updates and research analyses through the blog on our website.

Mentor is using its influence to try to secure funding for a replacement service to practitioners, since we consider this essential for good drug education.

EXPENDITURE

Charitable expenditure, that is money directly spent to protect children and young people from the harms of drugs and alcohol, was up by a massive 137% to £1.2m. This represented 96% of our total expenditure in 2011 – 12.

INCOME

Our overall income for 2011 – 12 was £1,340K – a 138% increase on the previous year, despite a tougher economic climate. This included £500,000 from the Home Office to distribute directly to 20 local organisations.

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

is a long term process but has already yielded important results. In partnership with Addaction, Mentor received the largest grant given by the Home Office's Choices programme.

In addition, Mentor was informed at the end of the financial year that two major funding applications, to the Big Lottery and to Comic Relief, both for three-year projects running from 2012 – 2015, had been successful.

We have also extended our network of corporate supporters, working with companies such as Norland and Ansvar.

We remain very grateful to our long term supporters for core funding, in particular The Robertson Trust, who have supported our work in Scotland since it began in 2008, The Peter Cruddas Foundation and The Dorset Foundation.

	£
Statutory	1,149,580
Trusts & Foundations	169,427
Corporate	13,670
Other	7,538
Total	1,340,215

Fundraising

Mentor has benefited in the past 12 months from the appointment of a dedicated fundraising and communications manager.

In an adverse climate for statutory funding, Mentor has invested time in meeting MPs and senior civil servants to outline the economic arguments for prevention. This

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), includes representatives from national and European government, international business people, and a senior legal practitioner. 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.

Staffing

The Chief Executive, Mr Paul Tuohy, is accountable to the Board of Trustees, chaired by Sim Scavazza, and manages other Mentor staff (eight in 2011-2012). 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

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 2011-2012 substantial funding was gratefully received from the following

City Bridge Trust, Comic Relief, Dorset Foundation, Department for Education, Esmée Fairbairn Foundation, European Union, Gerald Ronson Foundation, Home Office, Peter Cruddas Foundation, Robertson Trust, Scottish Government

Our grateful thanks to all donors including 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' of core costs, which for 2012 - 13 would equate to a minimum of £304,500 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 that we set is 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 fall short of

the agreed minimum level. In light of this deficit, the Board of Trustees remains confident of the charity operating as a going concern. The Board has agreed to review the current reserves policy during 2012 to reflect minimum and desirable levels, and to monitor the associated risks in achieving the targets.

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 2012 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

26.9.12.

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
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- 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 2012 set out on pages 15 to 21. 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 13, 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

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012, 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

Sailesh 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 *27 September*
2012

H W Fisher and Company is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

MENTOR FOUNDATION UK

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2012

	Note	Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011 (restated)
		£	£	£	£
Incoming Resources					
Incoming resources from generated funds					
Voluntary Income	2	48,362	275,747	324,109	395,693
Investment Income		44	-	44	4,594
		<u>48,406</u>	<u>275,747</u>	<u>324,153</u>	<u>400,287</u>
Incoming resources from charitable activities					
Other Income		3,191	1,009,366	1,012,557	162,575
		<u>3,505</u>		<u>3,505</u>	<u>320</u>
Total Incoming Resources		<u>55,102</u>	<u>1,285,113</u>	<u>1,340,215</u>	<u>563,182</u>
Resources Expended					
Costs of generating funds					
Fundraising & Publicity costs	3	33,111	-	33,111	34,319
Net income available for charitable activities		<u>21,991</u>	<u>1,285,113</u>	<u>1,307,104</u>	<u>528,863</u>
Charitable activities					
Education		5,448	189,315	194,763	89,994
Research		-	99,149	99,149	225,125
Prevention			924,947	924,947	199,336
Total Charitable Activities		<u>5,448</u>	<u>1,213,411</u>	<u>1,218,859</u>	<u>514,455</u>
Governance	4	14,835	4,383	19,218	18,610
Total Resources Expended		<u>53,394</u>	<u>1,217,794</u>	<u>1,271,188</u>	<u>567,384</u>
Net Income for the year					
- Before transfers		1,708	67,319	69,027	(4,202)
Transfers between funds		(139,165)	139,165	-	-
- After transfers		<u>(137,457)</u>	<u>206,484</u>	<u>69,027</u>	<u>(4,202)</u>
Reconciliation of Funds					
Balance brought forward at 1 April 2011		123,299	(26,462)	96,837	101,039
Balance carried forward at 31 March 2012		<u>(14,158)</u>	<u>180,022</u>	<u>165,864</u>	<u>96,837</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 17 to 21 form part of these financial statements

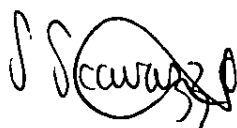
MENTOR FOUNDATION UK

BALANCE SHEET AS AT 31 MARCH 2012

	Note	2012 £	2012 £	2011 £	2011 £
Fixed Assets					
Tangible assets	5	5,604		1,708	
			5,604		1,708
Current Assets					
Debtors	6	26,899		7,410	
Cash at bank and in hand		216,370		170,736	
		<u>243,269</u>		<u>178,146</u>	
Creditors: Amounts falling due within one year	7	<u>(63,009)</u>		<u>(63,017)</u>	
Net Current Assets			<u>180,260</u>		<u>115,129</u>
Total assets less current liabilities			185,864		116,837
Creditors amounts falling due after more than one year	8		<u>(20,000)</u>		<u>(20,000)</u>
Net assets			<u><u>165,864</u></u>		<u><u>96,837</u></u>
Funds Balances					
Unrestricted Funds					
General Fund			(14,158)		123,299
Restricted Funds					
	9		180,022		(26,462)
			<u><u>165,864</u></u>		<u><u>96,837</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26-9-12 and signed on its behalf by

Ms Sim Scavazza (Chairman)



The notes on pages 17 to 21 form part of these financial statements

Company registration no 5609241

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting Policies

a) Basis of preparation

The accounts have been prepared under the historical cost convention

"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

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 2012

2	Voluntary Income	Unrestricted £	Restricted £	2012 £	2011 £
	Donations and gifts	48,362	275,747	324,109	395,693

3	Total Resources Expended	Direct costs £	Staff costs £	Allocated costs £	Total Funds 2012 £	Total Funds 2011 £
	Cost of generating funds					
	Fundraising and publicity costs	310	26,972	5,829	33,111	34,319
	Charitable activities					
	Drug related projects	881,989	275,884	60,986	1,218,859	514,455
	Governance	6,149	8,963	4,106	19,218	18,610
		<u>888,448</u>	<u>311,819</u>	<u>70,921</u>	<u>1,271,188</u>	<u>567,384</u>

Allocated costs	Drug Related Projects £	Fundraising £	Governance £	Total funds 2012 £	Total funds 2011 £
Other Staff Costs (1)	12,677	1,095	2,234	16,006	19,357
Office Costs (2)	42,306	4,148	1,640	48,094	66,368
Depreciation	1,940	189	75	2,204	1,169
Communications & International activities (3)	4,063	397	157	4,617	3,802
	<u>60,986</u>	<u>5,829</u>	<u>4,106</u>	<u>70,921</u>	<u>90,696</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 £1,426 (2011 £2,500)

Governance costs

Direct governance costs include audit fees of £3,000 (2011 £3,000) and £906 (2011 £1,463) for other services

Staff costs comprise

	2012 £	2011 £
Wages and salaries	272,987	265,331
Social security costs	28,763	28,125
Pension costs	10,069	6,489
	<u>311,819</u>	<u>299,945</u>

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

The average number of employees, analysed by function, was		2012	2011
		No	No
Fundraising		1	1
Drug related projects		8	7
		<u>9</u>	<u>8</u>
The number of employees whose annual emoluments were £60,000 or more were		2012	2011
		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 (2011 none) Expenses reimbursed to Trustees during the year amounted to £nil (2011 £124)		
5	Tangible Fixed Assets	Fixtures, fittings & equipment £	
	Cost		
	At 1 April 2011	21,351	
	Additions	6,100	
	Disposals	<u>(15,914)</u>	
	At 31 March 2012	<u>11,537</u>	
	Depreciation		
	At 1 April 2011	19,643	
	Disposals	<u>(15,914)</u>	
	Charge for year	<u>2,204</u>	
	At 31 March 2012	<u>5,933</u>	
	Net book value		
	At 31 March 2012	<u>5,604</u>	
	At 31 March 2011	<u>1,708</u>	
6	Debtors	2012	2011
		£	£
	Other debtors	1,577	395
	Prepayments and accrued income	25,322	7,015
		<u>26,899</u>	<u>7,410</u>

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

7 Creditors: amounts falling due within one year	2012 £	2011 £
Taxes and social security costs	7,661	9,129
Other creditors and accruals	55,348	53,888
	<u>63,009</u>	<u>63,017</u>
8 Creditors amounts falling due after more than one year	2012 £	2011 £
Future Builders development loan	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
Analysis of loans		
Wholly repayable within five years	20,000	20,000
	<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	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

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 2011 £	Incoming resources £	Resources expended £	Transfers £	31 March 2012 £
Comic Relief	-	16,428	52,368	35,940	-
Scottish Development	4,582	-	66,961	62,379	-
Policy Officer salary	-	25,000	23,937	-	1,063
Kinship Care - Scotland	-	45,703	46,049	346	-
Home Office - Street Talk	-	893,558	820,802	-	72,756
EU Rebound Project	-	7,615	11,744	-	(4,129)
European Union Kinship Carers Project	(143,685)	133,704	35,842	45,823	-
CHAMP Awards Scheme	24,062	30,000	54,839	777	-
Drug Education Forum	30,146	70,105	51,563	-	48,688
IT Equipment	7,500	-	-	(6,100)	1,400
Capacity Building	4,383	-	4,383	-	-
Youth Projects	46,550	63,000	49,306	-	60,244
	<u>(26,462)</u>	<u>1,285,113</u>	<u>1,217,794</u>	<u>139,165</u>	<u>180,022</u>

MENTOR FOUNDATION UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

9 Restricted Funds (continued)

Funding was received in 2011-12 from the Department for Children Schools & Families (DCSF) for the Drug Education Forum Funding for the Alcohol Misuse Prevention (CHAMP) Award Scheme was received from Diageo Great Britain Funding for a Policy Officer was received from the Esmee Fairbairn Charitable Trust Comic Relief funded a project on Alcohol misuse and the London Youth Involvement project was funded by the Peter Cruddas Foundation and the City Bridge Trust 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 Mentor UK is a partner with Hedelberg University for the Rebound project, which is also funded by the EU The Home Office funded the Street Talk project, which was a collaborative project with Addaction and 12 other partner charities A grant for reprinting booklets for Kinship Care was received from the Scottish Health Executive

10 Analysis of Net Assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances as at 31 March 2012 are represented by			
Tangible Fixed Assets	5,604	-	5,604
Current Assets	61,772	180,022	241,794
Creditors amounts falling due within one year	(61,534)	-	(61,534)
Creditors amounts falling due after more than one year	(20,000)	-	(20,000)
	<u>(14,158)</u>	<u>180,022</u>	<u>165,864</u>

11 Commitments under operating leases

At 31 March 2012 the charity had annual commitments under operating leases as follows

	2012 £	2011 £
Buildings		
Leases which expire within one year	-	12,139
Leases which expire within two to five years	-	-
	<u>-</u>	<u>12,139</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