

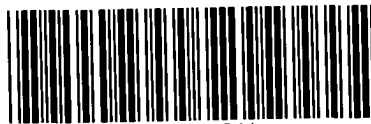
CHARITY NO: SC037384

COMPANY NO: SC349127

MELLOW PARENTING LIMITED
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

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MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

Janie K Law (Chair)
Robin Balbernie
Alan Dunipace
Jackie McRae
George Mulveny
Barbara Southern
Joy Barlow
Gillian C M Croan (Appointed 15/01/16)
Alastair J Crabb (Appointed 19/01/16)

Principal Office

Unit 4
Six Harmony Row
Glasgow
G51 3BA

Charity Number:

SC037384

Company Number:

SC349127

Independent Auditors

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

Bankers

Royal Bank of Scotland
59 Ayr Street
Troon
KA10 6EE

Solicitors

Morton Fraser Solicitors
145 St Vincent Street
Glasgow
G2 5JF

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2016

The Trustees present their annual report and financial statements of the charity for the year ended 31 March 2016.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006 and 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) published on 16 July 2014.

The legal and administrative information on page one forms part of this report.

Trustees:

The Trustees who served during the period and since the period end (unless otherwise stated) were as follows:-

Janie K Law	Chair
Robin Balbernie	
Alan Dunipace	
Jackie McRae	
George Mulveny	
Barbara Southern	
Joy Barlow	
Gillian C M Croan	(Appointed 15/01/16)
Alastair J Crabb	(Appointed 19/01/16)

Senior Team:

Rosemary Mackenzie	Chief Executive
Christine Pukering	Programme Director
Archie Dalrymple	Finance Officer

Objectives and activities

The Objectives of Mellow Parenting as set out in its governing documents (Memorandum and Articles of Association) are:

- The advancement of the mental health and development of children.
- Education, training and research to enhance the capabilities, skills and understanding of parent and carers to enable them to support the mental health and development of children.
- Provision of training and support for families where parents or carers or children have or are at risk of experiencing difficulties in parents/carers and child relationships or mental health difficulties.

The Aims of Mellow Parenting are:

- To develop parenting programmes for families experiencing relationship problems with their children
- To train practitioners in these programmes
- To support their implementation and research their effectiveness
- To publish information and findings about Mellow parenting Programmes

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2016

Objectives and activities (continued)

Mission: We seek to influence policy by researching, developing, implementing relationship based interventions

Vision: Healthy parent-child relationships to promote the best possible outcomes from generation to generation.

A review of our achievements and performance

Governance

- We have increased the size of the Board of Directors by two.
- We have completed the two page Strategic/Business Plan structure taking the Organisation forward into 2016-2019

Organisational

- We have continued the employment of all current staff, created new posts and promoted personal and career development of all staff where possible.
- We have continued to increase our bank of trainers and trained four new trainers in 2015/16.
- We have continued to promote Mellow Programmes to ensure training requests.
- We continue to align Mellow Programmes within current and new Government strategies.
- We continue to seek the support of Jobs & Business and other agencies in Glasgow when appropriate.

Activities

- We completed our three year Scottish Government's Third Sector Early Intervention Fund projects on Mellow Bumps, Mellow Dads and Mellow Futures. We will produce a separate report based on the success of these projects.
- We were successful in gaining Scottish Government Funding via the Children and Young People Fund and will formally establish our Evaluation Team on the 1st April 2016.
- We were successful in gaining further Scottish Government Funding from Keys to Life to research and develop a Mellow Futures Toddlers Programme.
- We were granted a substantial sum from the William Grant Foundation which allows us to research and develop a lighter version of the Mellow Parenting Observation Programme with the University of Aberdeen. The trial involves the development of an app for use by Health Visitors when visiting families to assess parent child interaction. We will use the remaining monies as part of our core salary funding.
- As part of a partnership bid with P4EC (Partnership for Every Child) and HealthProm, a three year grant was awarded from EU funding to deliver Mellow Programmes in Moldova.
- Partnership working is an interesting avenue for the Organisation as a whole, and whilst wishing to protect the integrity of Mellow programmes and income, it is one which the Board and Staff wish to pursue further.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2016

A review of our achievements and performance (continued)

- Throughout 2015 we built our relationship with HMP Greenock, and other prisons in Scotland and England. To date we have trained 14 prison officers with the Scottish Prison Service, and supported the delivery of a Mellow Dads group in HMP Oakwood by Mellow trained Walsall Council staff.
- We continued to work with the Stefanou Foundation on their Health Relationships, Healthy Babies Domestic Abuse Programme to help protect babies.
- We revised the Mellow Brochure to include more of the Organisation details
- We exhibited and presented at many events/conference through the UK, Turkey and the USA.
- We attended All Party Parliamentary Groups on Fathers and 1001 Critical Days in Westminster
- We held meetings with Aileen Campbell, Fiona McLeod and Humza Yousef from the Scottish Government.
- Finally, we held a Celebration Event in Glasgow on the 1st February 2016 to celebrate our Mellow Bumps, Mellow Dads and Mellow Futures Projects.

Financial review

Total income for the year ended was £462,633 (2015: 15 month period £768,823). Total expenditure on charitable activities was £617,957 (2015: 15 month period £761,516).

The overall result for the Charity being a net expenditure position of £155,323. (2015: 15 month period: surplus of £7,307).

The overall deficit for the year is in the main represented by a deficit on our unrestricted funds of £151,626, this deficit is twofold; a marked drop in our core training income of approximately £200k and maintaining our staff overheads in order to have a period of consolidation to invest in future developments. Due to the challenging financial climate, this deficit was not unforeseen and had formed part of the overall planned budget for 2015/16. The deficit, when added to the brought forward funds results in a closing total funds of £419,816 (2015 £575,139).

Investment policy and performance

The Charity's banking policy is to minimise risk by holding liquid reserves in interest bearing bank accounts. The charity holds a mix of fixed term deposit and current accounts. This investment mix is continually monitored by the Board of a regular basis.

The investment income for the year ended 31 March 2016 is £396 (2015: £2,909).

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2016

Risk management

Mellow Parenting has considered the significant risks and in part those relating to operations and financing of the Charity. The most significant risks are:

- Growing training income
- Staff retention to ensure we achieve efficiency savings in all we develop and commission.
- Reputational risk as we rely on our staff to deliver high quality advocacy/promotion.

These risks, together with other matters, are included and reviewed on an annual basis by the Board and the CEO.

Reserves policy

The Charity has total funds of £419,816. Of this, unrestricted funds are £360,066. The free reserves of the Charity are £326,980, this amounts to 14 months unrestricted running costs.

The target level of free reserves is 12 months hence the current level fulfils target at the year end.

Plans for the future

We have major plans for 2016/17 which include:

- Launch of a new Mellow Parenting Website
- Implementation of the new Mellow Intranet
- Implementation of the Mellow Model and more robust Accreditation System
- Formally establish the Mellow Evaluation Team
- Furtherance of the Mellow Strategy 2016-2019
- Researching the value of an Online portal to support the Evaluation Team
- International expansion, including the United States of America
- Ensuring strict financial recording and monitoring of activities
- Achieving the new ISO 9001 (2015) standard
- Working towards Investors in People Quality Mark.
- Programme development and rigorous evaluation of new programmes
- Grant applications to support new programme development.
- Continuing with, as far as possible, the employment of all current staff, create new posts and promote personal and career development of all staff.

Structure, governance and management

Mellow Parenting Ltd was founded in 2006 and incorporated as a Company Ltd by Guarantee with Charitable Status on the 1st January 2009.

Mellow Parenting Ltd is governed by the Board of Trustees which consists of members of the organisation appointed as prescribed by the Memorandum and Articles of Association.

Trustees serve an initial term of three years and are eligible for further terms of three years. Trustees are sought in a variety of ways involving exploration of the field of potential candidates, including recommendation from existing trustees and supporters or general advertisement.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2016

Structure, governance and management (continued)

Trustees undergo Trainee Induction upon appointment which includes:

- An Introduction to the organisation's history, ethos and operation, with a full explanation of the part the Board plays in its governance and direction. This includes a review of significant current and likely future issues.
- Meet with Chair & Vice Chair
- Meet with Chief Executive Officer
- Meet with general staff

Trustees are encouraged to attend external Trustee training to update their skills.

Full Board of Trustees meetings were held five times per year to review and agree major areas of policy. One of the meetings is held over a full day and includes a performance review and setting objectives for the following year.

Responsibility for reviewing key areas of activity and policy are delegated to sub-committees who report back to the Board meetings. These sub groups may include specialist co-opted members as well as trustees and include:

- Human Resource Group
- Finance Group
- Strategy Group

The day to day running of Mellow Parenting and the exercise of executive responsibility is delegated to the Chief Executive Officer.

Prior to each Board Meeting, the CEO prepares Board papers which contain reports from the CEO, the Programme Director and the Finance Officer. These papers are circulated at least two weeks prior to Board Meetings giving Trustees time to read, review and attend prepared for discussion.

The Trustees have a set salary scale in place on which all members of staff, including the CEO, are placed, commensurate with experience and comparable market value.

All Trustees complete a Register of Interests and Related Party Forms. One Trustee [Mr George Mulveny] can be considered as a Related Party, by providing Print and Advice to the Organisation via his own Company, C&G Print.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2016

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of the Mellow Parenting Limited for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.


The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to the Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the trustees on 23 June 2016 and signed on their behalf by:

Name:  JANIE KERR LAW

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MELLOW PARENTING LIMITED FOR THE YEAR ENDED 31 MARCH 2016

We have audited the financial statements of Mellow Parenting Limited for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement and the related notes. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 7 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 financial statements. In addition, we read all the financial and non-financial information in the Trustees Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 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 regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF MELLOW PARENTING LIMITED FOR THE YEAR ENDED 31 MARCH 2016

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 financial statements are prepared is consistent with the financial statements.

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:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors report.

Wylie + Bisset ✓

Jenny Simpson
Senior statutory auditor
For and on behalf of Wylie & Bisset LLP, Statutory Auditor

168 Bath Street
Glasgow
G2 4TP

Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Date 23 June 2016

MELLOW PARENTING LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2016
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2016	Restricted Funds 2016	Total Funds 2016	Unrestricted Funds 2015	Restricted Funds 2015	Total Funds 2015
Income and endowments from:							
Donations and legacies	4	800	-	800	2,289	285	2,574
Charitable activities	5	115,709	345,729	461,437	342,559	420,781	763,340
Investments	6	396	-	396	2,909	-	2,909
Total Income		116,905	345,729	462,633	347,757	421,066	768,823
Expenditure on:							
Raising funds							
Raising donations & legacies	8	63	-	63	-	-	-
Charitable activities	9	268,468	349,426	617,894	325,365	436,151	761,516
Total Expenditure		268,531	349,426	617,957	325,365	436,151	761,516
Net (expenditure)/income		(151,626)	(3,697)	(155,323)	22,392	(15,085)	7,307
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(151,626)	(3,697)	(155,323)	22,392	(15,085)	7,307
Funds reconciliation							
Total funds brought forward		518,021	63,447	581,468	489,300	78,532	567,832
Prior year adjustment	1	(6,329)	-	(6,329)	-	-	-
Total Funds brought forward - restated	19	511,692	63,447	575,139	489,300	78,532	567,832
Total Funds carried forward	19	360,066	59,750	419,816	517,692	63,447	575,139

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

2015 was a fifteen month accounting period.

MELLOW PARENTING LIMITED

BALANCE SHEET AS AT 31 MARCH 2016

	Note	2016	2015
		£	£
Fixed assets:			
Tangible assets	13	13,086	5,366
Total Fixed Assets		<u>13,086</u>	<u>5,366</u>
Current assets:			
Stocks	14	23,578	36,908
Debtors	15	50,562	26,071
Investments	16	219,036	218,764
Cash at bank and in hand	22	258,236	319,636
Total Current Assets		<u>551,412</u>	<u>601,379</u>
Liabilities:			
Creditors falling due within one year	17	<u>144,682</u>	<u>31,606</u>
Net Current assets		406,730	569,773
Net assets		<u>419,816</u>	<u>575,139</u>
The funds of the charity:			
Unrestricted funds	19	360,066	511,692
Restricted funds	19	59,750	63,447
Total charity funds		<u>419,816</u>	<u>575,139</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

Approved by the trustees on 23 June 2016 and signed on their behalf by:

Name:



Name:

JANIE KERR LNW

MELLOW PARENTING LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2016**

	Note	Total Funds 2016 £	Prior Year 2015 £
<i>Cash flows from operating activities:</i>			
Net cash provided by/(used in) operating activities	21	(50,990)	20,256
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		396	2,909
Purchase of property, plant and equipment		(10,806)	(760)
Net cash provided by/(used in) investing activities		(10,410)	2,149
Change in cash and cash equivalents in the year		(61,400)	22,405
Cash and cash equivalent brought forward	22	319,636	297,231
Cash and cash equivalents carried forward	22	258,236	319,636

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charitable company constitutes a public benefit entity as defined by FRS 102.

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

(b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, a restatement of comparative items was needed. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	£
Net income as previously stated	13,636
Adjustment for holiday pay accrual	(6,329)
2015 net income as restated	7,307

Reconciliation of Funds	At 1 January 2014	At 31 March 2015
	£	£
Funds as previously stated	567,832	581,468
Adjustment for holiday pay accrual	-	(6,329)
	<u>567,832</u>	<u>575,139</u>

(c) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 17.

(d) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. Accounting Policies (continued)

Donations, are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

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.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service deferred until the criteria for income recognition are met (see note 16).

(e) Expenditure recognition

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

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (g) below.

- Costs of raising donations and legacies comprise expenditure incurred to attract voluntary income;
- Expenditure on charitable activities includes the direct costs incurred and other activities undertaken to further the purposes of the charity and their associated support costs;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(f) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

(g) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in note 7.

(h) Tangible fixed assets and depreciation

All assets costing more than £1,500 are capitalised and valued at historical cost. Depreciation is charged as follows:

	Basis
Freehold and long leasehold buildings	25% on cost
Plant and equipment	25% on cost

(l) Stock

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

(m) Debtors

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

(n) Cash at bank and in hand

Cash at bank and cash 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.

(o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(q) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 10. There were no outstanding contributions at the year end.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

(r) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

2. Legal status of the Trust

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

3. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2015: £nil). Expenses paid to the trustees in the year totalled £563 (2015: £559). These expenses were made up of 2 trustees reimbursed for their travel expenses.

Total Trustee expenses waived during the year in relation to 10 Trustees is £1,721.69 (2015: 7 Trustees; £1,396.64).

No Trustee made any donations to the charity during the year (2015: nil).

The charity paid £14,058 (2015: £25,593) during the year in respect of printing costs to C&G Printing, a company owned by George Mulveny, Trustee.

The charity received £2,188 (2015: £1,166) during the year in respect of room hire and staff time for PS Partnership, an organisation in which George Mulveny, Trustee, is a partner. Amounts due by PS Partnership at the yearend amounted to £734.90 (2015: nil).

Other than those disclosed above, no Trustee or other person related to the Charity, other than those identified above, had any personal interest in any contact or transaction entered into by the Charity during the year.

4. Income from donations and legacies

	2016 £	2015 £
Donations	800	2,574
	<u>800</u>	<u>2,574</u>

5. Income from charitable activities

	2016 £	2015 £
Core	98,643	292,059
Programme Delivery	353,521	459,838
Other	9,274	11,443
	<u>461,437</u>	<u>763,340</u>

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

6. Investment income

	2016 £	2015 £
Interest on cash deposits	396	2,909
	<u>396</u>	<u>2,909</u>

7. Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total allocated £	Governance related £	Other support costs £	Basis of apportionment
Premises expenses	20,160	-	20,160	Time spent
Office expenses	23,397	-	23,397	Time spent
Misc.	171	-	171	Time spent
Staff travel & expenses	10,728	-	10,728	Time spent
Salaries	193,491	11,463	182,028	Time spent
Staff pensions	19,768	1,171	18,597	Time spent
Total	267,715	12,634	255,081	

Governance costs:

	2016 £	2015 £
Auditor's remuneration	5,703	3,966
Board training	432	1,082
Board travel	563	556
Staff costs	-	88
Printing of annual report	125	-
Support costs (see above)	12,634	15,282
	<u>19,457</u>	<u>20,974</u>

Breakdown of governance and support costs by activity

	Support Costs £	Governance Costs £	Total 2016 £	Total 2015 £
Core	133,855	15,784	149,639	122,482
Programme Delivery	121,226	3,673	124,899	211,403
Total allocated	255,081	19,457	274,538	333,885

8. Raising funds – expenditure on raising donations and legacies

	Direct Costs £	Support Costs £	Total 2016 £	Total 2015 £
Seeking donations, grants & legacies	63	-	63	-
	<u>63</u>	<u>-</u>	<u>63</u>	<u>-</u>

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

9. Analysis of expenditure on charitable activities

	Core £	Programme Delivery £	Other £	2016 Total £	2015 Total
General expenses	6,576	-	-	6,576	10,608
Website & PR Costs	4,937	-	-	4,937	9,596
Depreciation	-	-	3,086	3,086	3,086
Training	81,637	-	-	81,637	116,299
Group delivery	-	173,734	-	173,734	263,042
Research & Development	-	46,566	-	46,566	6,669
Support & events	-	-	-	-	1,295
Meetings, conference & events	-	26,467	-	26,467	17,036
Charity activities - other	-	352	-	352	-
Governance costs (note 7)	15,784	3,673	-	19,457	20,975
Support costs (note 7)	133,855	121,226	-	255,081	312,910
	<u>242,789</u>	<u>372,018</u>	<u>3,086</u>	<u>617,894</u>	<u>761,516</u>

10. Analysis of staff costs and remuneration of key management personnel

	2016 £	2015 £
Salaries and wages	298,382	359,951
Social security costs	25,580	33,978
Employer contributions to defined contribution pension schemes	19,768	14,951
Total staff costs and employee benefits	<u>343,730</u>	<u>408,880</u>

No employees had employee benefits in excess of £60,000 (2015: Nil).

	2016 No.	2015 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>19</u>	<u>24</u>

	2016 £	2015 £
Key management remuneration	<u>130,237</u>	<u>137,357</u>

11. Net income/(expenditure) for the year

This is stated after charging:	2016 £	2015 £
Depreciation	3,086	3,087
Auditor's remuneration:		
Audit fees	3,546	3,354
Accountancy services	354	612

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

12. Government Grants

Income from government grants comprises of £89,484 from the Scottish Government for the Mellow Bumps Fund; £166,929 from the Scottish Government for the Mellow Dads and Mellow Futures Fund; £46,417 from the Scottish Government for the Mellow Ready Fund; £23,920 from the Scottish Government for the Keys to Life Project and £100,000 from the William Grant Foundation.

13. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £	Computer Equipment £	Assets Under Construction £	Total £
Cost or valuation				
At 1 April 2015	7,499	6,454	-	13,953
Additions	-	-	10,806	10,806
Disposals	-	-	-	-
At 31 March 2016	7,499	6,454	10,806	24,756
Depreciation				
At 1 April 2015	5,071	3,516	-	8,587
Charge for the year	1,469	1,618	-	3,086
Eliminated on disposals	-	-	-	-
At 31 March 2016	6,540	5,134	-	11,673
Net book value				
At 31 March 2016	960	1,320	10,806	13,086
At 31 March 2015	2,428	2,938	-	5,366

At 31 March 2016 all assets were used for charitable purposes

14. Stock

	2016 £	2015 £
Stock	23,578	36,908
	<u>23,578</u>	<u>36,908</u>

15. Debtors

	2016 £	2015 £
Trade debtors	44,488	22,904
Other debtors	6,074	3,167
	<u>50,562</u>	<u>26,071</u>

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016****16. Current asset investments**

	2016	2015
	£	£
Cash deposits	<u>219,036</u>	<u>218,764</u>

17. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	27,839	8,928
Short-term compensated absences (holiday pay)	4,795	2,530
Other creditors and accruals	11,662	9,966
Deferred income (Note 18)	100,350	-
Taxation and social security costs	36	10,182
	<u>144,682</u>	<u>31,606</u>

18. Deferred income

	£
Balance as at 1 April 2015	-
Amount released to income earned from charitable activities	-
Amount deferred in year	100,350
Balance as at 31 March 2016	<u>100,350</u>

Deferred income comprises of income for training sessions which are not scheduled to take place until post year end, and grant funding salary costs.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

19. Analysis of charitable funds

	As restated at 1 April 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Unrestricted funds					
Research/Programme Development	15,000	-	46,500	31,500	-
Infant Mental Health Conference	5,000	-	-	(5,000)	-
Trainers/Practitioner Day & Staff/Board Training	15,000	-	-	(15,000)	-
PHD Student Support	5,000	-	-	-	5,000
External Exhibitions & Conferences	-	-	-	15,000	15,000
Attendance at External Conferences	10,000	-	-	(10,000)	-
Tangible Fixed Assets	5,366	-	3,086	10,806	13,086
Total designated funds	55,366	-	49,586	27,306	33,086
General funds	456,326	116,905	218,945	(27,306)	326,980
Total unrestricted funds	511,692	116,905	268,531	-	360,066
Restricted fund					
BIG Fund Fathers & Parents with learning difficulties	11,273	166,929	174,809	-	3,393
BIG Fund Very Early Intervention (Bumps)	23,305	89,484	106,960	-	5829
MENCAP	10,948	-	10,917	-	31
Antenatal Parenting Support event	83	-	-	-	83
Mellow Babies in Govan	485	-	115	-	370
Mellow Ready Young Start grant	17,353	11,298	19,097	-	9,554
Keys to Life	-	23,920	2,872	-	21,048
William Grant	-	52,000	32,558	-	19,442
P4EC	-	2,098	2,098	-	-
Total restricted funds	63,447	345,729	349,426	-	59,750
TOTAL FUNDS	575,139	462,634	617,957	-	419,816

a) The unrestricted funds are available to be spent for any of the purposes of the charity.

The Trustees have created the following designated funds:

- Research/Programme Development – Represents funds set aside to meet the costs of revising the MPOS and Mellow Dads programmes and others as they arise. Also included are funds allocated for updating materials for current programmes.
- Infant Mental Health Conference - Represents funds set aside for the Infant Mental Health Conference.
- Trainers/Practitioner Day & Staff/Board Training - Represents funds set aside for the Trainers Day and any training required for staff and the Board.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

- PHD Support – Represents funds set aside to help provide grants to PhD students undertaking research solely based on Mellow Parenting.
- External Exhibitions & Conferences - Mellow Parenting needs to increase awareness and intends to exhibit and present at as many relevant events as possible. It is necessary to have a budget set aside for this purpose from core funds.
- Attendance at external conference – This is to cover the cost of staff attending external conferences; travel, accommodation, entrance, fees etc. throughout the UK and further afield. It is essential that we have this budget to promote Mellow out with Scotland.
- Tangible Fixed Assets – Represents the amount of the charity's funds tied up in fixed assets.

b) Restricted funds comprise:

- Fathers & Parents with learning difficulties - this is specific grant funding from the Scottish Government Third Sector Early Intervention Fund managed by the Lottery's Big Fund to fund the salaries, running and support costs to deliver Mellow Dads and Mellow Futures programmes, training to participant groups and funding supported travel and group delivery costs throughout Scotland.
- Very Early Intervention - this is specific grant funding from the Scottish Government's Third Sector Early Intervention Fund managed by the Lottery's Big Fund to fund the salaries, running and support costs to deliver Mellow Bumps programmes, training to participant groups and funding supported travel and group delivery costs throughout Scotland.
- MENCAP – this is specific grant funding held by MENCAP from the Department of Health in England to trial the Mellow Futures Programme in England. Covers backfill, overheads and travel.
- Antenatel Parenting Support event – this was funds held on behalf of the University of Aberdeen via their grant from SCPHP in 2013-14 to host a dissemination event in September 2014.
- Mellow Babies in Govan — this was a lottery grant to deliver a Mellow Babies group in Govan 2014-15.
- Mellow Ready Young start grant – due to an underspend, we were able to extend the project until the 30th September to deliver further pilot groups.
- Keys to Life – is a Scottish Government Grant awarded late November 2015 for the year 2015-16. Agreement from the Grant Makers that we can carry forward the underspend into 2016/17.
- William Grant – this is a specific grant set aside to use for Mellow Parenting Observation System and employment to pursue international development in 2016/17
- P4EC – this is an EU Grant, managed by P4EC in partnership with HealthProm and Mellow Parenting. Our component is the delivery of Mellow training in Moldova, support towards evaluation and project management, and reflective consultation. The grant is a three year grant commencing 11th January 2016.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

20. Net assets over funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2016 £
Fixed assets	-	13,086	-	13,086
Stock	23,578	-	-	23,578
Debtors	269,598	-	-	269,598
Bank & Cash	178,486	20,000	59,750	258,236
Creditors	(144,682)	-	-	(144,682)
	<u>326,980</u>	<u>33,086</u>	<u>59,750</u>	<u>419,816</u>

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net income/(expenditure) for the year (as per the Statement of Financial Activities)	(155,323)	7,307
Adjustments for:		
Depreciation charges	3,086	3,087
Interest received	(396)	(2,909)
(Increase)/decrease in stocks	13,330	5,520
Decrease/(increase) in debtors	(24,491)	68
Decrease/(increase) in current asset investments	(272)	(2,793)
Increase/(decrease) in creditors	113,076	9,976
Net cash provided by/(used in) operating activities	<u>(50,990)</u>	<u>20,256</u>

22. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	258,236	319,636
Total cash and cash equivalents	<u>258,236</u>	<u>319,636</u>

23. Capital Commitments

At 31 March 2016, the charity was committed to capital expenditure totalling £4,000.