

CHARITY NO: SC037384

COMPANY NO: SC349127

MELLOW PARENTING LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



**COMPANIES HOUSE
EDINBURGH**

30 SEP 2019

FRONT DESK

MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

Robin Balbernie
Joy Barlow MBE (Chair)
Lynn Campbell
Gillian Croan
Dawn Finlayson
George Mulveny
Andrew Pulford
Barbara Southern

Principal Office

Unit 4
Six Harmony Row
Glasgow
G51 3BA

Charity Number:

SC037384

Company Number:

SC349127

Independent Examiner:

Wylie & Bisset LLP
Chartered Accountants
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 2019

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2019.

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).

The legal and administrative information on page one and in the next section forms part of this report.

Trustees:

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

Robin Balbernie
Joy Barlow MBE (Chair)
Lynn Campbell
Alastair J Crabb (Resigned 26 October 2018)
Gillian Croan
Dawn Finlayson
George Mulveny
Andrew Pulford
Barbara Southern

Senior Team:

Rosemary Mackenzie	Chief Executive
Raquib Ibrahim	Research and Evaluation 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 parents 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/carer and child relationships or mental health difficulties.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2019

Our Vision

We want every child, wherever they are in the world, to be part of a safe and nurturing family that will allow them and future generations the best possible start in life.

We envisage a world where these values are integrated so fully into society that we are no longer needed.

Our Mission

Our mission is to make a difference. We do this by:

- 1) Creating, researching, developing and sharing attachment-based parenting programmes which reflect universal principles in local contexts;
- 2) Providing families with the opportunity to make positive change in their life and build better relationships, benefitting future generations;
- 3) Gathering evidence of all our work in order to ensure that our programmes are improving lives;
- 4) Using our experience and expertise to influence and participate in local and national policy making.

Our Values

The decisions we make will be guided by our core values:

We will **nurture** and support each other, our practitioners, organisations and families who encounter us.

We will strive to be as **inclusive, accessible and open** as possible.

We will make decisions to be the best at what we do. **High quality and high standards** are important to us.

We want everyone we come across to have the best possible experience of Mellow Parenting.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2019

A review of our achievements and performance

Governance

Joy Barlow was appointed Chair in February 2018 and since that time has brought the board together to work in a much more cohesive manner, using her vast experience in strategic direction gained from her lengthy and very successful career. Some very difficult decisions have been taken by the board, led in an exemplary fashion by Joy.

No new board members have been identified during this past year, but the board would very much like to attract new members from the areas they feel the most support is required and will be actively pursuing this in the forthcoming year.

The Organisation continues to be accredited and reaccredited for Quality Procedures ISO 9001 (2008) to ISO9001 (2015) with the BSI Registration number: FS662037.

The board has reviewed the new strategic document, classed as a working document directing the journey of the organisation in future years. On the 30th August 2018, Dr Christine Puckering retired from the post of Programme Director. Christine was a co-founder of the original Mellow Parenting Programme ethos and has contributed greatly to the success of the organisation over many years. Her academic and research abilities, linked with a practical knowledge of the needs of vulnerable families in the context of mental health, not forgetting infant mental health, has helped guide Mellow Parenting's family of programmes. We are grateful that she continues here with us as a Consultant.

Organisational

Towards the end of 2018, it was felt necessary to match staff functions to a restricted financial environment whilst continuing to support the organisation's agreed outcomes.

Activities

- Creation of a new streamlined staffing structure for the organisation to be implemented April 2019.
- Continuance of the new Health & Safety Policy supported by Neil Carlton from Carlton Consulting.
- Continuance of the Business Continuity plan.
- Continuance of ISO 9001 2008 to ISO 9001 2015, to be reviewed in 2019/20.
- Supported Mellow Practitioners through their training, group delivery, reflective consultation, evaluation and accreditation.
- Ensured strict financial recording and monitoring of activities and striving towards sustainability.
- Continued with Programme Development
- Created the new Mellow Foundations; a selection of specialist masterclasses to be offered through the UK, beginning with Building Better Relationships.
- Reviewed the Antenatal Programme and created a clear pathway to introduce Mellow Dads-to-be.
- Held the official Mellow Ready Launch in September.
- Successfully completed the third year of our CYPFEIF funding, reaching and surpassing targets of numbers of families reached, number of new practitioners trained and number of practitioners accredited.
- Successfully awarded a fourth year of CYPFEIF Funding, to end in March 2020.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2019

Activities (continued)

- Successfully completed one year trial of Mellow Babies delivered in England, Northern Ireland and Scotland in rural and urban environments. This work will be written up and published in the coming year.
- Attended various conferences and events through the year to promote the work of Mellow Parenting throughout the UK.

International Activities

Mellow Parenting continues to work not only in Scotland and the UK, but also Moldova, Tajikistan, New Zealand and Turkey. Recently Perinatal specialist groups in County Limerick and County Tipperary in Ireland have introduced Mellow Bumps and Dads to be within their services.

Funded by an EU Grant until 2020, HealthProm continues to support practitioners and families in Tajikistan, co-ordinate Mellow training and Mellow group delivery, and organising evaluation.

A similar structure is used in Moldova, whereby thanks to an EU Grant and Work Childhood, a number of practitioners have been training to deliver groups directly to families in a project designed to keep children under the age of 3 out of residential care and to create greater consistency in family support services. Evaluation of the work shows positive results and we will work with the team to support evaluation, reflective consultation and accreditation.

Mellow is growing in New Zealand, and two training groups have been delivered in the past year. Mellow Ready will also be delivered in the very near future to the young people of Auckland.

We are also working with colleagues in Lahore, Pakistan, and we anticipate an introduction to Mellow in Lahore within the next few months.

Funders

Of course, thanks are due to our current funders:

- Scottish Government/Corra Foundation – CYPFEIF continued to March 2020
- Big Lottery for Mellow Ability, ended November 2018
- AIM ended April 2018
- The Robertson Trust (Granted March 2019 to commence June 2019)

Thanks must also go to all Board members who give of their time voluntarily and in an exemplary fashion, as well as the Mellow staff team, ably led by the CEO, all of whom show commitment, enthusiasm and compassion in their work for the organisation.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2019

Financial review

Total income for the year ended was £374,727 (2018: £494,547).

Total expenditure on charitable activities was £441,665 (2018: £618,200).

The overall result for the charity being a net expenditure position of £66,938 (2018: £123,653).

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 deposit and current accounts. The Board on a regular basis monitors this investment mix.

The investment income for the year ended 31st March 2019 is £80 (2018: £222).

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 and trainers to deliver high quality promotion and training

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 £143,386, all of which are unrestricted.

The free reserves of the charity are £136,802 this amounts to approximately 6 months unrestricted costs.

The target level of free reserves is 12 months hence the current level falls short of the target at the year end and the board are focused on improving this position going forward.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2019

Plans for the future

Our plans for 2019/20 include:

- Continuing to support Mellow Practitioners through their training, group delivery, reflective consultation, evaluation and accreditation.
- Implementing a robust Succession Plan.
- Ensure strict financial recording and monitoring of activities and striving towards sustainability.
- Appropriate Programme Development.
- Researching and applying for grants to continue future possible domestic partnerships.
- Researching and applying for grants for appropriate programme development.
- Continuing work with our international partners and seeking out new international partnerships.
- Working with the Department for Work and Pensions to offer work placements and work experience.
- Working to promote the work of our volunteers.
- Implementation of a marketing plan to promote the organisation and encourage commissioners to treat commissioning of Mellow as an Investment in their staff and the families they support.
- Setting up a trainer sales commission agreement to encourage trainers to sell training through the UK.
- Creating a sales pack to enable trainers to sell Mellow training.
- Create a formal Action Plan enabling future strategy to be matched to income/expenditure.

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 and 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.

Trustees undergo Trustee 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 and likely future issues.
- Meet with Chair and Vice chair
- Meet with Chief Executive Officer
- Meet with general staff

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2019

Structure, governance and management (continued)

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

Full Board of Trustee meetings are 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 have Terms of Reference and may include specialist co-opted members as well as Trustees and include:

- Human Resource Group
- Finance Group
- Strategy Group

Mindful of corporate responsibilities the Board has recently instituted new sub groups, namely.

- Succession Planning
- Financial/Activity Monitoring Group
- Fund Raising

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
- Programme Director
- Finance Officer
- Evaluation Team
- Administration Team
- Project Team

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 Parties Forms. One Trustee (Mr George Mulveny) can be considered as a Related Party by providing Print Services to the organisation via his own company, C & G Print.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2019

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of Mellow Parenting Ltd 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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.

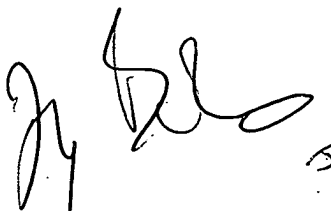
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and 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.

This report has been prepared in accordance with the 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) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the trustees and signed on their behalf by:

Name:


JOY BARLOW

Date:

20/08/2019

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF MELLOW PARENTING LIMITED FOR THE YEAR ENDED 31 MARCH 2019

I report on the accounts of the charity for the year ended 31 March 2019, which are set out on pages 11 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The charity trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respects the requirements:
 - to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Wylie & Bisset ✓

Jenny Simpson BSc (Hons) FCA DChA

Wylie & Bisset LLP

Chartered Accountants

168 Bath Street

Glasgow

G2 4TP

Date: *4 September 2019*

MELLOW PARENTING LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2019
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Income and endowments from:							
Donations and legacies	4	1,535	-	1,535	3,490	-	3,490
Charitable activities	5	190,877	182,235	373,112	185,910	304,925	490,835
Investments	6	80	-	80	222	-	222
Total Income		192,492	182,235	374,727	189,622	304,925	494,547
Expenditure on:							
Charitable activities	8	243,419	198,246	441,665	296,871	321,329	618,200
Total Expenditure		243,419	198,246	441,665	296,871	321,329	618,200
Net (expenditure) for the year		(50,927)	(16,011)	(66,938)	(107,249)	(16,404)	(123,653)
Transfers between funds	17	-	-	-	15,523	(15,523)	-
Net movement in funds		(50,927)	(16,011)	(66,938)	(91,726)	(31,927)	(123,653)
Funds reconciliation							
Total Funds brought forward	17	194,313	16,011	210,324	286,039	47,938	333,977
Total Funds carried forward	17	143,386	-	143,386	194,313	16,011	210,324

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

All income and expenditure derive from continuing activities.

MELLOW PARENTING LIMITED

BALANCE SHEET AS AT 31 MARCH 2019


	Note	2019	2018
		£	£
Fixed assets:			
Tangible assets	12	6,584	13,167
Total Fixed Assets			
Current assets:			
Stocks	13	25,566	34,140
Debtors	14	27,639	28,661
Cash at bank and in hand		112,634	239,864
Total Current Assets		165,839	302,665
Liabilities:			
Creditors falling due within one year	15	(29,037)	(105,508)
Net Current assets		136,802	197,157
Net assets		143,386	210,324
The funds of the charity:			
Unrestricted funds	17	143,386	194,313
Restricted funds	17	-	16,011
Total charity funds		143,386	210,324

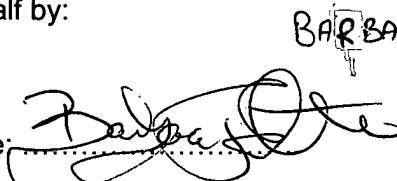
These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

For the year ended 31 March 2019 the company was entitled to exemption under section 477 of the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

Approved by the trustees and signed on their behalf by:

SOY BARLOW

Name:
Date: 20.08.2019

BARBARA SOUTHERN

Name:
COMPANY NO: SC349127

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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) 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.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

(b) 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.

(c) 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.

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.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

(c) Income recognition (continued)

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

(d) 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 (e) 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.

(e) 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 independent examination (and 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.

(f) 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

(g) 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.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies (continued)

(h) 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.

(i) 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.

(j) 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.

(k) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(l) Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(m) 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 9.

(n) Taxation

The company is a charitable company within the meaning of Paragraph 1 Schedule 6 of the Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

2. Legal Status

The charity is a registered Scottish charity.

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.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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 (2018: £nil). During the year 2 trustees (2018: 2) were reimbursed travel expenses of £411 (2018: £310). Total trustee expenses waived during the year in relation to 9 Trustees were £892 (2018: 8 Trustees; £487).

One trustee made a donation to the charity during the year of £700 (2018: nil). The charity paid £15,747 (2018: £25,700) during the year in respect of printing costs to C&G Printing, a company owned by George Mulveny, trustee.

The charity received £160 (2017: £1,397) during the year in respect of room hire and staff time for PS Partnership, an organisation in which George Mulveny, trustee, is a partner. No amounts were due by PS Partnership at the year-end (2018: £82).

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

	2019 £	2018 £
Donations	1,535	3,490
	<u>1,535</u>	<u>3,490</u>

5. Income from charitable activities

	2019 £	2018 £
Core	373,112	490,835
	<u>373,112</u>	<u>490,835</u>

6. Investment income

	2019 £	2018 £
Interest on cash deposits	80	222
	<u>80</u>	<u>222</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
Salaries	58,260	8,739	49,521	<i>Time spent</i>
Finance Administration	14,904	1,490	13,414	<i>Time spent</i>
Total	<u>73,164</u>	<u>10,229</u>	<u>62,935</u>	

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

7. Allocation of governance and support costs (continued)

Governance costs:	2019	2018
	£	£
Independent examiners' remuneration	1,194	1,500
Board costs	704	908
Support costs (see above)	10,229	11,445
	<u>12,127</u>	<u>13,853</u>

Breakdown of governance and support costs by activity

	Support Costs	Governance Costs	Total 2019	Total 2018
	£	£	£	£
Core	62,935	12,127	75,062	87,622
Total allocated	<u>62,935</u>	<u>12,127</u>	<u>75,062</u>	<u>87,622</u>

8. Analysis of expenditure on charitable activities

	Core	2019 Total	2018 Total
	£	£	
Restricted project costs (including salaries)	182,235	182,235	321,329
Salaries not recharged	48,086	48,086	58,828
General expenses	5,277	5,277	7,796
Depreciation	6,583	6,583	6,771
Training costs	62,202	62,202	54,116
Research & Development	2,974	2,974	4,851
Meetings, conference & events	10,337	10,337	26,187
Premises and office expenses	43,121	43,121	40,218
Staff travel and expenses	1,135	1,135	3,495
BSI, memberships and subscriptions	4,653	4,653	6,987
Governance costs (note 7)	12,127	12,127	13,853
Support costs (note 7)	62,935	62,935	73,769
	<u>441,665</u>	<u>441,665</u>	<u>618,200</u>

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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

	2019 £	2018 £
Salaries and wages	202,716	270,911
Social security costs	15,551	22,063
Employer contributions to defined contribution pension schemes	16,366	19,678
Total staff costs and employee benefits	<u>234,633</u>	<u>312,652</u>

No employees had employee benefits in excess of £60,000 (2018: Nil).

Redundancy costs for the year totalled £nil (2018: £1,956) and were paid from core funds in 2018.

	2019 No.	2018 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>7</u>	<u>11</u>

	2019 £	2018 £
Key management personnel remuneration	<u>93,799</u>	<u>93,433</u>

10. Net income/(expenditure) for the year

	2019 £	2018 £
This is stated after charging:		
Depreciation	6,583	6,771
Independent Examiners Fees	<u>1,194</u>	<u>1,500</u>

11. Government Grants

	2019 £	2018 £
CYPFEIF	138,584	194,000
Big Lottery for the Mellow Ability Fund	<u>41,220</u>	<u>84,570</u>
	<u>179,804</u>	<u>278,570</u>

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

12. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £	Computer Equipment £	Total £
Cost or valuation			
At 1 April 2018	10,735	25,523	36,258
Additions	-	-	-
Disposals	-	-	-
Transfer	-	-	-
At 31 March 2019	10,735	25,523	36,258
Depreciation			
At 1 April 2018	9,118	13,973	23,091
Charge for the year	808	5,775	6,583
Transfer	-	-	-
At 31 March 2019	9,926	19,748	29,674
Net book value			
At 31 March 2019	809	5,775	6,584
At 31 March 2018	1,617	11,550	13,167

At 31 March 2019 all assets were used for charitable purposes.

13. Stock

	2019 £	2018 £
Stock	25,566	34,140
	25,566	34,140

14. Debtors

	2019 £	2018 £
Trade debtors	18,170	20,841
Other debtors	9,469	7,820
	27,639	28,661

15. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	5,580	30,143
Other creditors and accruals	3,579	2,707
Deferred income (Note 16)	14,000	64,330
Taxation and social security costs	5,878	8,328
	29,037	105,508

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

16. Deferred income

	2019 £	2018 £
Balance as at 1 April 2018	64,330	64,064
Amount released to income earned from charitable activities	(64,330)	(64,064)
Amount deferred in year	14,000	64,330
Balance as at 31 March 2019	14,000	64,330

Deferred income comprises income from training sessions invoiced pre year end but not scheduled to take place until post year end.

17. Analysis of charitable funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Unrestricted funds					
External Exhibitions & Conferences	15,000	-	-	(5,000)	10,000
Research & Development	-	-	-	15,000	15,000
Tangible Fixed Assets	19,938	-	(6,771)	-	13,167
Total designated funds	34,938	-	(6,771)	10,000	38,167
General funds	251,101	189,622	(290,100)	5,523	156,146
Total unrestricted funds	286,039	189,622	(296,871)	15,523	194,313
Restricted funds					
AIM Foundation	5,624	11,268	(11,268)	-	5,624
Big Lottery	10,387	84,570	(84,570)	-	10,387
CYPFEIF	26,897	194,000	(205,374)	(15,523)	-
Keys to Life	4,480	-	(4,480)	-	-
William Grant	550	15,087	(15,637)	-	-
Total restricted funds	47,938	304,925	(321,329)	(15,523)	16,011
TOTAL FUNDS	333,977	494,547	(618,200)	-	210,324

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

17. Analysis of charitable funds (continued)

	At 1 April 2018 £	Income £	Expenditure £	Transfers £	At 31 March 2019 £
Unrestricted funds					
External Exhibitions & Conferences	10,000	-	-	(8,000)	2,000
Research & Development	15,000	-	-	(13,000)	2,000
Tangible Fixed Assets	13,167	-	(6,583)	-	6,584
Total designated funds	38,167	-	(6,583)	(21,000)	10,584
General funds	156,146	192,492	(236,836)	21,000	132,802
Total unrestricted funds	194,313	192,492	(243,419)	-	143,386
Restricted funds					
AIM Foundation	5,624	840	(6,464)	-	-
Big Lottery	10,387	41,220	(51,607)	-	-
CYPFEIF	-	138,584	(138,584)	-	-
William Grant	-	1,591	(1,591)	-	-
Total restricted funds	16,011	182,235	(198,246)	-	-
TOTAL FUNDS	210,324	374,727	(441,665)	-	143,386

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:

- 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.
- Research & Development - This represents funds set aside to meet the cost of new programme and organisational development.
- Tangible Fixed Assets – Represents the amount of the charity's funds tied up in fixed assets.

b) Restricted funds comprise:

- AIM Foundation – this allows us to complete a research project on Mellow Babies groups being delivered in England, Northern Ireland and Scotland over a period of one year and commenced on the 1st December 2016.
- Big Lottery Medium Grants for Improving Lives Fund – this allows us to research, develop and pilot Mellow Ability: for parents and their children with additional needs. This is a two year grant commencing 1st November 2016.
- CYPFEIF – Funded by the Scottish Government and Managed by Lloyds TSB Foundation for Scotland. A three year grant to develop a dedicated Evaluation Team to support practitioners through group deliver, reflective consultation, evaluation and accreditation and build up our evidence base. This allows us to Reconnect with all Mellow Practitioners in Scotland to enhance their Mellow journey ultimately benefiting children throughout Scotland.

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019****17. Analysis of charitable funds (continued)****b) Restricted funds comprise: (continued)**

- Keys to Life – is a Scottish Government Grant awarded late November 2015 for the year 2015-16. The grant provider agreed to us carrying forward the underspend at 31st March 2016. The funds were fully spent in the 2018 year end.
- William Grant – this is a specific grant set aside to use for Mellow Parenting Observation System and employment to pursue international development in 2018/19.

18. Net assets over funds

As at 31 March 2019	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Fixed assets	-	6,584	-	6,584
Stock	25,566	-	-	25,566
Debtors	27,639	-	-	27,639
Bank & Cash	108,634	4,000	-	112,634
Creditors	(29,037)	-	-	(29,037)
	<u>132,802</u>	<u>10,584</u>	<u>-</u>	<u>143,386</u>
As at 31 March 2018	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £
Fixed assets	-	13,167	-	13,167
Stock	34,140	-	-	34,140
Debtors	28,661	-	-	28,661
Bank & Cash	155,738	25,000	59,126	239,864
Creditors	(62,393)	-	(43,115)	(105,508)
	<u>156,146</u>	<u>38,167</u>	<u>16,011</u>	<u>210,324</u>