

CHARITY NO: SC037384

COMPANY NO: SC349127

MELLOW PARENTING LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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
69 High Street
Irvine
KA12 0AL

Solicitors

Morton Fraser Solicitors
145 St Vincent Street
Glasgow
G2 5JF

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2020

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2020.

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
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/carers and child relationships or mental health difficulties.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2020

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.

Governance

The Organisation continued to be accredited and reaccredited for Quality Procedures ISO 9001 (2008) to ISO 9001 (2015) with the BSI Registration number: FS662037, however a decision was taken not to renew the status as of August 2019 due to the ongoing cost.

A new Logic Model with supporting Action Plan has been put together and will form our strategy from April 2020 onwards.

Risk Management is discussed at every board meeting, with risks being highlighted, reduced, added, as and when necessary. The document acts as a diary for the organisation's risk management.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2020

Governance (continued)

The sub groups, consisting of Finance, Strategy/Monitoring and Fund Raising continue to meet on a regular basis.

The Code of Conduct, supplied by SCVO and OSCR, was used at Board level to monitor their level of performance, and also to reintroduce appraisal of individual board members. This led to the Scheme of delegation being revised in February 2020.

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.

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. A monitoring sub group was established, with a clear terms of reference. The main activities of the group are:

1. To receive information on the financial situation of the organisation.
2. To receive information on the fund raising activity of the organisation.
3. To consider the organisation's on going activities in the light of the financial situation.
4. To recommend any change in activity in the light of the financial situation.
5. To alert the Board to any major changes affecting possible contingencies.

Our attention to detail through marrying the monitoring of our financial situation to the strategic and operational activities resulted in a more positive financial outlook for the organisation, and the staff's ability to work through this environment of change has created a platform of openness and trust.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2020

Achievements and performance

Activities

- New streamlined staffing structure for the organisation implemented April 2019.
- Ensured strict financial recording and monitoring of activities and striving towards reducing our deficit.
- Continuance of the new Health & Safety Policy supported by Neil Carlton from Carlton Consulting.
- Continuance of the Business Continuity plan.
- Review of ISO 9001 2008 to ISO 9001 2015 status, and not renewed post August 2019.
- Supported Mellow Practitioners through their training, group delivery, reflective consultation, evaluation and accreditation.
- Continued with Programme Development.
- Created the new Mellow Foundations; a selection of specialist masterclasses to be offered through the UK, began to roll out Mellow Conversations from February 2020.
- Successfully completed the fourth year of our CYPFEIF funding, reaching and surpassing targets of numbers of families reached, number of new practitioners trained and number of practitioners accredited.
- Reduced the number of manuals held in stock, and gone over to a cloud based printing company who prints and couriers the exact number of manuals required for each training.
- Attended various conferences and events through the year to promote the work of Mellow Parenting throughout the UK.
- 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.

Due to the COVID 19 crisis and government advice, all Mellow staff began working from home from the 19th March 2020. This necessitated a quick risk assessment on security for remote access to our server, and with the support of IT Scotland all staff are now able to securely log in and continue their work. This has been a time of change, and one positive step towards this change has been the introduction of the Facilitated Online Mellow Bumps Groups, which will be rolled out early April 2020.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2020

Achievements and performance (continued)

International Activities

Mellow Parenting works in the UK but also has an international outreach. Over the last year we have been continuing to support practitioners in Moldova, Tajikistan, New Zealand, Turkey and Ireland. We are also developing the capacity of key individuals in these nations supporting them on their journey to become Mellow Parenting Trainers. In February 2020, we were able to run our first training in North Macedonia when trainers from the UK were supported by a new trainer from Moldova. New international work is currently on hold but we are continuing to build links with contacts in Pakistan and have had discussions with services in Russia who would like to begin using Mellow Programmes.

COVID-19 has meant that we need to find new ways to interact with colleagues around the world. We had a very successful Zoom trainers meeting with 18 trainers from different countries participating. We were able to share ideas and good practice, discussing the pros and cons of online groups and supporting vulnerable families at this time.

We are members of the Scottish International Development Alliance and benefit from the training and support that they offer. We are particularly involved with the Leave No One Behind group supporting online meetings and discussions.

Funders

Of course, thanks are due to our current funders:

- Scottish Government/Corra Foundation – CYPFEIF continued to March 2020.
- The Robertson Trust (ending May 2020)
- Baily Thomas Fund

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.

Financial review

Total income for the year ended was £368,073 (2019: £374,727).

Total expenditure on charitable activities was £323,796 (2019: £441,665).

At the year end the charity reported a surplus of £44,277 (2019: deficit £66,938).

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2020

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 2020 is £105 (2019: £80).

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 a quarterly basis by the Board and the CEO.

Towards the end of the year this report accounts for, Risk Management for Global Pandemics, staff working from home, remote working have all been discussed, risk managed and added to the Risk Register.

Reserves Policy

The charity has total funds of £187,663, all of which are unrestricted.

The Board have determined that their target level of reserves at any given time should equate to a minimum of 12 months' expenditure. This would equate to £323,796 based on 2019/20 expenditure levels. The free reserves of the charity are £182,481 therefore falling short of the targeted figures, the board are focused on improving this position going forward.

Plans for the future

Our plans for 2020/2021 include:

Our plans were laid out in our strategic document and action plan, however, since the 19th March the Mellow Office has been closed due to the Coronavirus. A risk management assessment was taken to allow staff to work from home and laptops, monitors etc provided where necessary. Working with our IT support, we have all staff working remotely, meeting together using zoom for the staff team and practitioners.

Our original plans have been put on hold until we know for sure what can be done.

One very positive step is the introduction of our new facilitated online Mellow Bumps Programme, which was created due to the need of practitioners willing to do the best they possibly could for their pregnant clients during this very difficult time.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2020

Plans for the future (continued)

We will try our best to adapt to a more technology based support including

- Continuing to support Mellow Practitioners through their training, group delivery, reflective consultation, evaluation and accreditation.
- Ensure strict financial recording and monitoring of activities and striving towards keeping the deficit down and building on the break even point achieved last year.
- 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.
- Reintroduce our Mellow Conversations masterclass, which had to be put on hold in March 2020. We had ten training groups committed to take place in April and May.
- Reset dates for training which was postponed during the COVID 19 pandemic.

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

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.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2020

Structure, governance and management (continued)

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
- 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. However this association has reduced immensely with our new cloud based printing as and when required service contract through Mimeo.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2020

Trustees' responsibilities in relation to the financial statements

The charity trustees (who are also the directors of 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 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:

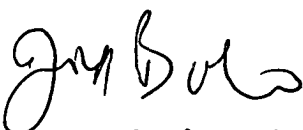
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed 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: 10.07.2020

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF MELLOW PARENTING LIMITED FOR THE YEAR ENDED 31 MARCH 2020

I report on the accounts of the charity for the year ended 31 March 2020, which are set out on pages 12 to 24.

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: *28 July 2020*

MELLOW PARENTING LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2020

(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income and endowments from:							
Donations and legacies	4	600	-	600	1,535	-	1,535
Charitable activities	5	203,618	163,700	367,318	190,877	182,235	373,112
Investments	6	105	-	105	80	-	80
Other incoming resources	7	50	-	50	-	-	-
Total Income		204,373	163,700	368,073	192,492	182,235	374,727
Expenditure on:							
Charitable activities	9	160,096	163,700	323,796	243,419	198,246	441,665
Total Expenditure		160,096	163,700	323,796	243,419	198,246	441,665
Net income / (expenditure) for the year		44,277	-	44,277	(50,927)	(16,011)	(66,938)
Transfers between funds	18	-	-	-	-	-	-
Net movement in funds		44,277	-	44,277	(50,927)	(16,011)	(66,938)
Funds reconciliation							
Total Funds brought forward	18	143,386	-	143,386	194,313	16,011	210,324
Total Funds carried forward	18	187,663	-	187,663	143,386	-	143,386

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 2020

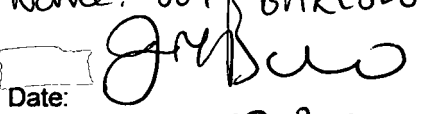
	Note	2020	2019
		£	£
Fixed assets:			
Tangible assets	13	<u>1,182</u>	<u>6,584</u>
Total Fixed Assets			
Current assets:			
Stocks	14	14,358	25,566
Debtors	15	20,363	27,639
Cash at bank and in hand		<u>181,795</u>	<u>112,634</u>
Total Current Assets		<u>216,516</u>	<u>165,839</u>
Liabilities:			
Creditors falling due within one year	16	<u>(30,035)</u>	<u>(29,037)</u>
Net Current assets		<u>186,481</u>	<u>136,802</u>
Net assets		<u>187,663</u>	<u>143,386</u>
The funds of the charity:			
Unrestricted funds	18	187,663	143,386
Restricted funds	18	<u>-</u>	<u>-</u>
Total charity funds		<u>187,663</u>	<u>143,386</u>

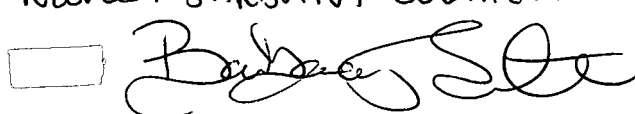
These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

For the year ended 31 March 2020 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:

Name: JOY BARLOW

 Date: 10.07.2020

Name: BARBARA SOUTHERN


COMPANY NO: SC349127

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

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 18.

(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 2020

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 17).

(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 8.

(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 2020

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 10.

(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 2020

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 (2019: £nil). During the year one trustee (2019: 2) was reimbursed travel expenses of £568 (2019: £411). Total trustee expenses waived during the year in relation to 7 Trustees were £832 (2018: 9 Trustees; £892).

There were no trustee donations made to the charity during the year (2019: One trustee made a donation of £700). No amounts (2019: £15,747) were paid during the year in respect of printing costs to C&G Printing, a company owned by George Mulveny, trustee.

During the year the charity received £40 (2019: £160) in respect of room hire and staff time for PS Partnership, an organisation in which George Mulveny, trustee, is a partner. During the year the charity paid PS Partnership £2,650 (2018: £4,743) in respect of consultancy services. At the year end the charity owed PS Partnership £616 (2019: £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

	2020 £	2019 £
Donations	600	1,535
	<u>600</u>	<u>1,535</u>

5. Income from charitable activities

	2020 £	2019 £
Core	367,318	373,112
	<u>367,318</u>	<u>373,112</u>

6. Investment income

	2020 £	2019 £
Interest on cash deposits	105	80
	<u>105</u>	<u>80</u>

7. Other incoming resources

	2020 £	2019 £
Profit on sale of fixed asset	50	-
	<u>50</u>	<u>-</u>

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

8. 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	2019 Total allocated £	2019 Governance related £	2019 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	
Total	73,164	10,229	62,935	

Cost type	2020 Total allocated £	2020 Governance related £	2020 Other support costs £	Basis of apportionment
Salaries	37,491	5,624	31,867	<i>Time spent</i>
Total	37,491	5,624	31,867	

Governance costs:	2020 £	2019 £
Independent examiners' remuneration	1,344	1,194
Board costs	568	704
Support costs (see above)	5,624	10,229
	7,536	12,127

Breakdown of governance and support costs by activity

	2019 Support Costs £	2019 Governance Costs £	2019 Total £	2020 Support Costs £	2020 Governance Costs £	2020 Total £
Core	62,935	12,127	75,062	31,867	7,536	39,403
Total allocated	62,935	12,127	75,062	31,867	7,536	39,403

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

9. Analysis of expenditure on charitable activities

	Core £	2020 Total £	2019 Total
Restricted project costs (including salaries)	163,702	163,702	182,235
Salaries not recharged	23,006	23,006	48,086
General expenses	8,874	8,874	5,277
Depreciation	5,620	5,620	6,583
Training costs	50,604	50,604	62,202
Research & Development	1,044	1,044	2,974
Meetings, conference & events	4,229	4,229	10,337
Premises and office expenses	24,492	24,492	43,121
Staff travel and expenses	238	238	1,135
BSI, memberships and subscriptions	2,584	2,584	4,653
Governance costs (note 8)	7,536	7,536	12,127
Support costs (note 8)	31,867	31,867	62,935
	<u>323,796</u>	<u>323,796</u>	<u>441,665</u>

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

	2020 £	2019 £
Salaries and wages	147,527	202,716
Social security costs	9,287	15,551
Employer contributions to defined contribution pension schemes	10,736	16,366
Total staff costs and employee benefits	<u>167,550</u>	<u>234,633</u>

No employees had employee benefits in excess of £60,000 (2019: Nil).

Redundancy costs for the year totalled £3,084 (2019: £nil) and were paid from core fund.

	2020 No.	2019 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>6</u>	<u>7</u>

	2020 £	2019 £
Key management personnel remuneration	<u>64,579</u>	<u>93,799</u>

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

11. Net income/(expenditure) for the year

This is stated after charging:

	2020 £	2019 £
Depreciation	5,620	6,583
Independent Examiners Fees	1,344	1,194
Profit on sale of fixed asset	50	-
	<u>50</u>	<u>-</u>

12. Government Grants

	2020 £	2019 £
CYPFEIF	138,584	138,584
Big Lottery for the Mellow Ability Fund	-	41,220
	<u>138,584</u>	<u>179,804</u>

13. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £	Computer Equipment £	Total £
Cost or valuation			
At 1 April 2019	10,735	25,523	36,258
Additions	218	-	218
Disposals	(3,272)	-	(3,272)
Transfer	-	-	-
At 31 March 2020	<u>7,681</u>	<u>25,523</u>	<u>33,204</u>
Depreciation			
At 1 April 2019	9,926	19,748	29,674
Eliminated on disposals	(3,272)	-	(3,272)
Charge for the year	810	4,810	5,620
At 31 March 2020	<u>7,464</u>	<u>24,558</u>	<u>32,022</u>
Net book value			
At 31 March 2020	<u>217</u>	<u>965</u>	<u>1,182</u>
At 31 March 2019	<u>809</u>	<u>5,775</u>	<u>6,584</u>

At 31 March 2020 all assets were used for charitable purposes.

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020****14. Stock**

	2020	2019
	£	£
Stock	14,358	25,566
	<u>14,358</u>	<u>25,566</u>

15. Debtors

	2020	2019
	£	£
Trade debtors	16,916	18,170
Other debtors	3,447	9,469
	<u>20,363</u>	<u>27,639</u>

16. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	4,227	5,580
Other creditors and accruals	5,608	3,579
Deferred income (Note 17)	16,959	14,000
Taxation and social security costs	3,241	5,878
	<u>30,035</u>	<u>29,037</u>

17. Deferred income

	2020	2019
	£	£
Balance as at 1 April 2019	14,000	64,330
Amount released to income earned from charitable activities	(14,000)	(64,330)
Amount deferred in year	16,959	14,000
Balance as at 31 March 2020	<u>16,959</u>	<u>14,000</u>

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

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

18. Analysis of charitable funds

	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

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
Unrestricted funds					
External Exhibitions & Conferences	2,000	-	-	-	2,000
Research & Development	2,000	-	-	-	2,000
Tangible Fixed Assets	6,584	-	(5,620)	218	1,182
Total designated funds	10,584	-	(5,620)	218	5,182
General funds	132,802	204,373	(154,476)	(218)	182,481
Total unrestricted funds	143,386	204,373	(160,096)	-	187,663
Restricted funds					
Baily Thomas Charitable Fund	-	15,000	(15,000)	-	-
Big Lottery	-	-	-	-	-
CYPFEIF	-	138,584	(138,584)	-	-
Robertson Trust	-	10,116	(10,116)	-	-
Total restricted funds	-	163,700	(163,700)	-	-
TOTAL FUNDS	143,386	368,073	(323,796)	-	187,663

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

18. Analysis of charitable funds (continued)

- 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.
- Baily Thomas Charitable Fund – A small one year grant to allow us to deliver and evaluate a Mellow Futures Groups in Fife.
- 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 The Corra Foundation. 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.
- The Robertson Trust – a one year grant to support the employment of a training administrator and to help develop our Mellow Foundation masterclasses
- William Grant – this was a specific grant set aside to use for Mellow Parenting Observation System and employment to pursue international development in 2018/19.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

19. 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 2020	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
Fixed assets	-	1,182	-	1,182
Stock	14,358	-	-	14,358
Debtors	20,363	-	-	20,363
Bank & Cash	177,795	4,000	-	181,795
Creditors	(30,035)	-	-	(30,035)
	<u>182,481</u>	<u>5,182</u>	<u>-</u>	<u>187,663</u>