

CHARITY NO: SC037384

COMPANY NO: SC349127

MELLOW PARENTING LIMITED

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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EDINBURGH**

31 AUG 2018

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MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

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

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 2018

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2018.

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 16th July 2014.

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:

Janie K Law (Chair – retired 6th February 2018)
Robin Balbernie
Joy Barlow MBE (Chair from 6th February 2018)
Alastair J Crabb (Vicechair from 6th February 2018)
Gillian Croan
Dawn Finlayson (appointed 6th February 2018)
George Mulveny
Andrew Pulford (appointed 20th August 2017)
Barbara Southern
Lynn Campbell

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 2018

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 2018

A review of our achievements and performance

Governance

Janie Law was appointed Chair of the Mellow Board in 2012. Her extensive knowledge of family law and the complexities of family functioning has been of great value to the organisation and her commitment to continuous improvement in board matters and exemplary chairing has served Mellow Parenting well. Janie retired as Chair in February 2018. Joy Barlow, MBE, was accordingly appointed as Chair and Alastair J Crabb as Vicechair. Joy has joined the Board Chair's Section of the Association of Chief Officers of Scottish Voluntary Organisations to support her tenure.

We also welcomed two new board members: Andy Pulford and Dawn Finlayson, bring expertise from the national Health Service and Family Law respectively.

The organisation successfully transitioned from ISO 9001 (2008) to ISO 9001 (2015) with the BSI Registration number: FS662037.

Concerns continue about the viability of Mellow Parenting's training strategy going forward due to commissioning restraints and reduced budgets. It is for this reason that the board have commissioned a new marketing strategy, which we hope will be in place by the Autumn of 2018.

The strategy for the organisation as a whole will be presented to the board in August 2018.

Organisational

After a very significant illness in February 2017, we were so glad to welcome Alan McMaster back to full health and employment later in the year. However, due to a lack of development funding, the Board reluctantly reached the decision to make the post redundant in March 2018. Alan must be thanked for his undoubted commitment to all of Mellow Parenting's work, but especially that of the work with Fathers and the work in Prison Settings.

A mapping exercise of the structure of the organisation was carried out and areas of strengths and weaknesses identified and a plan put in place to address these.

Activities

- Implementation of a new Health & Safety Policy
- Implementation of a Business Continuity plan
- Transition of ISO 9001 2008 to ISO 9001 2015
- 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
- Reviewed and modernised our logo, introducing separate logos for each Programme
- Reviewed the Antenatal Programmes and created a clear pathway to introduce Mellow Dads-to-be

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2018

- Continued with, as far as possible, the employment of all current staff, create new posts and promote personal and career development of all staff
- Held the official Mellow Ability Launch in October 2017, with representatives from the Scottish Government, parents who attended groups, facilitators and interested schools, to promote the programme for Children with Additional Needs.
- Completed Project Reconnect to contact every practitioner in Scotland to ascertain their current involvement in delivering mellow, held top up trainings and general awareness days as part of the project and furthered the geographical reach of Mellow in Scotland.
- Successfully completed the second year of our CYPEIF funding, reaching and surpassing targets of numbers of families reached, number of new practitioners trained and number of practitioners accredited.
- 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 the Scotland and the UK, but also Moldova, Tajikistan, New Zealand and Turkey.

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. We work closely with Zu Ruziev who coordinates the local groups and submits data back to us in Glasgow for analysis and reporting.

A similar structure is used in Moldova, whereby by thanks to an EU Grant and Work Childhood, a number of practitioners have been training to delivery 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.

Funders

Of course, thanks are due to our current funders:

- Scottish Government/Corra Foundation – CYPEIF
- Big Lottery
- AIM

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2018

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 £494,547 (2017: £555,272).

Total expenditure on charitable activities was £618,200 (2017: £641,111).

The overall result for the charity being a net expenditure position of £123,653 (2017: £85,839).

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 2018 was £222 (2017: £116).

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 £210,324. Of this, unrestricted funds are £194,313.

The free reserves of the charity are £156,146 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.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31st March 2018

Plans for the future

Our plans for 2018/19 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
- Continuing with, as far as possible, the employment of all current staff, create new posts and promote personal and career development of all staff
- 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.

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 2018

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
- Succession Planning Group

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

- Succession Planning
- 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 2018

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 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 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 (effective 1 January 2015) 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:  **SONY BARLOW**

Date: **21.08.18**

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF MELLOW PARENTING LIMITED FOR THE YEAR ENDED 31 MARCH 2018

I report on the accounts of the charity for the year ended 31 March 2018, which are set out on pages 11 to 23.

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.

Nyhe + Bisset ✓

Jenny Simpson BSc (Hons) FCA DChA

Wylie & Bisset LLP

Chartered Accountants

168 Bath Street

Glasgow

G2 4TP

Date: *27 August 2018*

MELLOW PARENTING LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2018
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Income and endowments from:							
Donations and legacies	4	3,490	-	3,490	3,298	-	3,298
Charitable activities	5	185,910	304,925	490,835	274,070	277,788	551,858
Investments	6	222	-	222	116	-	116
Total Income		189,622	304,925	494,547	277,484	277,788	555,272
Expenditure on:							
Charitable activities	8	296,871	321,329	618,200	361,217	279,894	641,111
Total Expenditure		296,871	321,329	618,200	361,217	279,894	641,111
Net (expenditure) for the year		(107,249)	(16,404)	(123,653)	(83,733)	(2,106)	(85,839)
Transfers between funds	19	15,523	(15,523)	-	-	-	-
Net movement in funds		(91,726)	(31,927)	(123,653)	(83,733)	(2,106)	(85,839)
Funds reconciliation							
Total Funds brought forward	19	286,039	47,938	333,977	369,772	50,044	419,816
Total Funds carried forward	19	194,313	16,011	210,324	286,039	47,938	333,977

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 2018

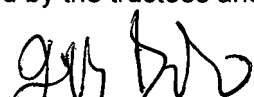
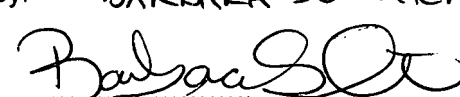
	Note	2018	2017
		£	£
Fixed assets:			
Tangible assets	12	13,167	19,938
Total Fixed Assets			19,938
Current assets:			
Stocks	13	34,140	31,256
Debtors	14	28,661	25,921
Cash at bank and in hand		239,864	369,391
Total Current Assets		302,665	426,568
Liabilities:			
Creditors falling due within one year	17	(105,508)	(112,529)
Net Current assets		197,157	314,039
Net assets		210,324	333,977
The funds of the charity:			
Unrestricted funds	19	194,313	286,039
Restricted funds	19	16,011	47,938
Total charity funds		210,324	333,977

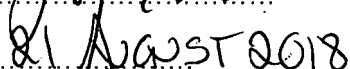
These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company.

For the year ended 31 March 2018 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: **BARBARA SOUTHERN**

Name:  **GUY BROWN** Name:  **BARBARA SOUTHERN**

Date:  **21 AUGUST 2018** **COMPANY NO: SC349127**

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

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) 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 19.

(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.

Income received in advance of the provision of a specified service deferred until the criteria for income recognition are met (see note 18).

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

(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

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

(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.

(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) 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.

(m) 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.

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 (2017: £nil). During the year 2 trustees (2017: 2) were reimbursed travel expenses of £310 (2017: £369). Total Trustee expenses waived during the year in relation to 8 Trustees were £487 (2017: 9 Trustees; £1,931).

No Trustee made any donations to the charity during the year (2017: nil). The charity paid £25,700 (2017: £36,519) during the year in respect of printing costs to C&G Printing, a company owned by George Mulveny, Trustee.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

3. Related party transactions and trustees' expenses and remuneration (continued)

The charity received £NIL (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. Amounts due by PS Partnership at the year-end amounted to £82 (2017: £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

	2018 £	2017 £
Donations	3,490	3,298
	<u>3,490</u>	<u>3,298</u>

5. Income from charitable activities

	2018 £	2017 £
Core	490,835	551,658
Other	-	200
	<u>490,835</u>	<u>551,858</u>

6. Investment income

	2018 £	2017 £
Interest on cash deposits	222	116
	<u>222</u>	<u>116</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	58,472	8,771	49,701	<i>Time spent</i>
Finance Administration	26,742	2,674	14,068	<i>Time spent</i>
Total	<u>85,214</u>	<u>11,445</u>	<u>73,769</u>	

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

7. Allocation of governance and support costs (Continued)

Governance costs:	2018 £	2017 £
Auditor's remuneration	-	4,037
Independent examiners' remuneration	1,500	-
Board costs	908	897
Support costs (see above)	11,445	7,227
	<u>13,853</u>	<u>12,161</u>

Breakdown of governance and support costs by activity

	Support Costs £	Governance Costs £	Total 2018 £	Total 2017 £
Core	73,769	13,853	87,622	30,708
Total allocated	<u>73,769</u>	<u>13,853</u>	<u>87,622</u>	<u>30,708</u>

8. Analysis of expenditure on charitable activities

	Core £	2018 Total £	2017 Total
Restricted project costs (including salaries)	321,329	321,329	279,894
Salaries not recharged	58,828	58,828	143,810
General expenses	7,796	7,796	12,309
Depreciation	6,771	6,771	8,009
Training costs	54,116	54,116	67,699
Group delivery	-	-	1,150
Research & Development	4,851	4,851	14,926
Meetings, conference & events	26,187	26,187	35,230
Premises and office expenses	40,218	40,218	36,381
Staff travel and expenses	3,495	3,495	2,641
BSI, memberships and subscriptions	6,987	6,987	8,354
Governance costs (note 7)	13,853	13,853	12,161
Support costs (note 7)	73,769	73,769	18,547
	<u>618,200</u>	<u>618,200</u>	<u>641,111</u>

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

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

	2018	2017
	£	£
Salaries and wages	270,911	314,822
Social security costs	22,063	26,281
Employer contributions to defined contribution pension schemes	19,678	16,942
Total staff costs and employee benefits	312,652	358,045

No employees had employee benefits in excess of £60,000 (2017: Nil).

Redundancy costs for the year totalled £1,956 (2017: £2,090) and were paid from core funds (2017: Keys to Life Fund).

	2018	2017
	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	11	13

	2018	2017
	£	£
Key management personnel remuneration	93,433	137,302

10. Net income/(expenditure) for the year

	2018	2017
	£	£
This is stated after charging:		
Depreciation	6,771	8,009
Auditor's remuneration	-	4,037
Independent Examiners Fees	1,500	-
Loss on disposals	-	662

11. Government Grants

CYPFEIF	194,000	186,666
Big Lottery for the Mellow Ability Fund	84,570	33,649
Scottish Government – Keys to Life	-	27,723
	278,570	248,038

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

12. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £	Computer Equipment £	Assets Under Construction £	Total £
Cost or valuation				
At 1 April 2017	10,735	10,861	14,662	36,258
Additions	-	-	-	-
Disposals	-	-	-	-
Transfer	-	14,662	(14,662)	-
At 31 March 2018	<u>10,735</u>	<u>25,523</u>	<u>-</u>	<u>36,258</u>
Depreciation				
At 1 April 2017	8,309	4,346	3,665	16,320
Charge for the year	809	5,962	-	6,771
Transfer	-	3,665	(3,665)	-
At 31 March 2018	<u>9,118</u>	<u>13,973</u>	<u>-</u>	<u>23,091</u>
Net book value				
At 31 March 2018	<u>1,617</u>	<u>11,550</u>	<u>-</u>	<u>13,167</u>
At 31 March 2017	<u>2,426</u>	<u>6,515</u>	<u>10,997</u>	<u>19,938</u>

At 31 March 2018 all assets were used for charitable purposes.

Assets under construction have been allocated to the appropriate Fixed Asset heading on completion.

13. Stock

	2018 £	2017 £
Stock	34,140	31,256
	<u>34,140</u>	<u>31,256</u>

14. Debtors

	2018 £	2017 £
Trade debtors	20,841	18,525
Other debtors	7,820	7,396
	<u>28,661</u>	<u>25,921</u>

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

17. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	30,143	25,605
Other creditors and accruals	2,707	5,610
Deferred income (Note 18)	64,330	64,064
Taxation and social security costs	8,328	17,250
	<u>105,508</u>	<u>112,529</u>

18. Deferred income

	2018	2017
	£	£
Balance as at 1 April 2017	64,064	100,350
Amount released to income earned from charitable activities	(64,064)	(76,797)
Amount deferred in year	64,330	40,481
	<u>64,330</u>	<u>64,064</u>
Balance as at 31 March 2018		

Deferred income comprises income from training sessions invoiced pre year end but not scheduled to take place until post year end and grants physically received in advance of the income being recognised in the accounts.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

19. 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 fund					
Keys to Life	4,480	-	4,480	-	-
William Grant	550	15,087	15,637	-	-
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)	-
Total restricted funds	47,938	304,925	321,329	(15,523)	16,011
TOTAL FUNDS	333,977	494,547	618,200	-	210,324

	At 1 April 2016 £	Income £	Expenditure £	Transfers £	At 31 March 2017 £
Unrestricted funds					
PHD Student Support	5,000	-	-	(5,000)	-
External Exhibitions & Conferences	15,000	-	15,000	15,000	15,000
Tangible Fixed Assets	13,086	-	8,009	14,861	19,938
Total designated funds	33,086	-	23,009	24,861	34,938
General funds	336,686	277,484	338,208	(24,861)	251,101
Total unrestricted funds	369,772	277,484	361,217	-	286,039
Restricted fund					
Mellow Ready Young Start grant	9,554	-	9,554	-	-
Keys to Life	21,048	24,723	41,291	-	4,480
William Grant	19,442	24,417	43,309	-	550
AIM Foundation	-	8,333	2,709	-	5,624
Big Lottery	-	33,649	23,262	-	10,387
CYPFEIF	-	186,666	159,769	-	26,897
Total restricted funds	50,044	277,788	279,894	-	47,938
TOTAL FUNDS	419,816	555,272	641,111	-	333,977

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

19. Analysis of charitable funds (Continued)

The restricted and unrestricted fund balances at 31st March 2017 have been adjusted to reflect restricted funds which had been incorrectly carried forward as the funds had been expended in the previous year.

- 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:

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

- b) Restricted funds comprise:

- 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. This project is now concluded and all funding expended.
- 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 into the following 2016/17 year.
- 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
- 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.

- c) Transfers – the transfer of £15,523 represents expenditure on fixed assets which has no continuing restrictions.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

20. Net assets over funds

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>
As at 31 March 2017	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £
Fixed assets	-	19,938	-	19,938
Stock	14,852	-	16,404	31,256
Debtors	25,921	-	-	25,921
Bank & Cash	268,543	15,000	85,848	369,391
Creditors	(58,215)	-	(54,314)	(112,529)
	<u>251,101</u>	<u>34,938</u>	<u>47,938</u>	<u>333,977</u>