

CHARITY NO: SC037384

COMPANY NO: SC349127

MELLOW PARENTING LIMITED
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

	PAGE
Reference and Administrative information	1
Report of the Trustees	2 – 10
Independent Examiner's Report	11
Statement of Financial Activities	12
Balance Sheet	13
Notes to the Financial Statements	14– 24

MELLOW PARENTING LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees	Robin Balbernie Joy Barlow MBE Samuel Marriot-Dowding (Appointed 25/10/2022) Gillian Croan Dawn Finlayson Ian Milligan George Mulveny Barbara Southern
Principal Office	Unit 4 Six Harmony Row Glasgow G51 3BA
Charity Number	SC037384
Company Number	SC349127
Independent Examiner	Wylie & Bisset LLP 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 2023

The Trustees present their annual report and financial statements of the charity for the year ended 31st March 2023.

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 1 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
Lynn Campbell (Retired 22 May 2022)
Gillian Croan
Dawn Finlayson
Samuel Marriot-Dowding (Appointed 25 October 2022)
Ian Milligan
George Mulveny
Barbara Southern

Senior Team:

Rosemary Mackenzie	Chief Executive Officer (Retired 31 March 2023)
Raquib Ibrahim	Chief Executive Officer (From 1 April 2023)
Jacqueline King	Finance and HR 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 2023

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.

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.

Achievements and Performance

Mellow Parenting is delighted to present a review of achievements and performance in the year 1st April 2022 to 31st March 2023.

Governance

We completed a Board Members Skills Analysis which highlighted that we lacked support in Marketing. After working with a young entrepreneur via the Skills Support Base from Inspiring Scotland to create a marketing plan, we were very fortunate to welcome Sam Marriot-Dowding to the Board as a Marketing Specialist in October 2022.

The Board continues to review good governance using SCVO's guidelines, and continues with the Charity Excellence Framework Quality Award, promoting our due diligence and good governance.

Lynn Campbell retired from the Board in May 2022, and we thank her for her valued community support over the years she was with us.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2023

Achievements and Performance (continued)

Organisational

Every member of staff works with full commitment to the organisation, sometimes way out with their comfort zone to promote and continue both our face to face and online programmes. Feedback from families attending the online groups is proving extremely positive, encouraging us to deliver our own online groups under a grant from the Perinatal Infant Mental Health Fund managed by Inspiring Scotland.

In April, we lost our Training Co-ordinator to a higher paying position elsewhere. It was an interesting process for our CEO who went back to her roots covering the administration of Mellow Training until we could appoint a replacement, Caitlin O'Rourke. 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 at the end of last year, despite the new challenging circumstances which were somewhat forced upon us. The staff's ability to continue to work through this environment of change is testament to their dedication and appreciation of everyone in the team and we are delighted to once again be reporting a positive financial outlook at the end of this financial year.

Staff report to the board via reports on a quarterly basis, permitting the board to:

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

Activities

- A new hybrid style of working was introduced in April 2022, combining office and home based working which continues to this day. The office is closed on Mondays and Fridays, and open for all staff Tuesday, Wednesday and Thursday.
- Ensured strict financial recording and monitoring of activities and striving towards breaking even.
- Continuance of CPD Accreditation UK as an Accredited Organisation, although we stopped this in March 2023 and moved towards CPD with AIMuk.
- Nominated for and shortlisted as a Scottish Social Enterprise of the Year 2022.
- Continuance of the Business Continuity plan.
- Success in monitoring and achieving Action Plan targets.
- Continuance of Charity Excellence Framework Quality Mark.
- Supported Mellow Practitioners through their training, group delivery, reflective consultation, evaluation and accreditation.
- Continued with Programme Development, and in particular added a range of new online programmes to the Mellow Family of Programmes as well as Modified Mellow which is being piloted by Tree Top Nursery in Fife April 2023.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2023

Achievements and Performance (continued)

- Continued with the Mellow Foundations Workshops: "Mellow Conversations" "What Children Need" and "Difficult Conversations with Carers". Introducing a different style of working, we have focussing on promoting these workshops as Workforce and Skills Development.
- Successfully completed the Seventh year of CYPFEIF funding, reaching new targets as set during discussion with CORRA and the Scottish Government. Received excellent feedback from the annual report submitted to CORRA in April 2022.
- Continued to use Mimeo digital printing on demand, thus reducing stock held in premises. All manuals were revised in February/March 2023 and uploaded to Mimeo., meaning that we can start April 2023 with a new baseline of dated manuals.
- "attended" various conferences and events to promote Mellow digitally, with presentations and leaflet inclusions.
- Submitted and had accepted abstracts to present at the World Association of Infant Health Congress in July 2023 in Dublin.
- Continued monthly staff "Mental Health" sessions, walks around the park, Pottery, Escape Rooms, Wild Water Swimming (!) and more.
- Mellow Babies qualitative research paper *"There is more love between us"* was published in the Infant Mental Health journal October 2022 edition.
- A detailed succession plan was put in place as the existing CEO retired. The new CEO was appointed with a full handover completed on 23 March 22.
- Completed the auto-enrolment and updated the pension regulator, which is required every three years.

Student Placements

- We have had the pleasure of offering placements to more students on a virtual basis since April 2022 from King College London, University of Edinburgh and Glasgow Caledonia University.
- A Final year Social Work student on placement with us from Glasgow Caledonia University graduated in June 2022, and commenced a part time post as Project Assistant with us in August 2022.

International Activities

- Mellow Parenting is based in the UK but has an international outreach: Over the last year we have been continuing to support practitioners in Australia, Moldova, North Macedonia, 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.
- We have been working with colleagues in India, building up to creating a partnership agreement for them to coordinate and delivery Mellow in India, and we are working closely with other colleagues in Pakistan to create a pilot project delivering Mellow Programmes.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2023

Achievements and performance (continued)

- We continue to use virtual platforms to meet with trainers from different countries. We are able to share ideas and good practice, discussing the pros and cons of online groups and supporting vulnerable families at this time.
- We held an online international conference in January "*Putting the pieces together*" in partnership with Home Start worldwide. This was well attended and received positive feedback.
- 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 – Children, Young People and Families Early Intervention Fund continued to March 2023
- Adapt and Thrive II uplift
- Inspiring Scotland Perinatal and Infant Mental Health Programme

Thanks must also go to all Board members who give of their time voluntarily and in an exemplary fashion.

Sincere thanks are expressed to the Mellow staff team for their enthusiasm, fortitude and innovation during the Covid era which stands the organisation in very good stead for the future. The CEO is congratulated for her inspired leadership of the organisation who along with the rest of the staff, continue to show commitment, enthusiasm and compassion in their work for the organisation. The smooth running of the organisation is recognised by the Board and the CEO, and thanks must be recorded to them for their commitment to keeping going during the circumstances.

It is with sadness that we report the retirement of our current CEO, Rosemary Mackenzie. Rosemary has served Mellow since its inception, and we are sorry to see her go. We are incredibly grateful to her for her passion for all things Mellow and wish her well in her future journey. We hope to see her back in a voluntary capacity at some time. After extensive advertising and interviewing we will welcome Mr Raquib Ibrahim as incoming CEO in April 2023.

Financial review

Total income for the year ended was £332,851 (2022: £284,951).

Total expenditure on charitable activities was £318,917 (2022: £264,846).

The overall result for the charity being a net surplus position of £13,934 (2022: £20,105).

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2023

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 2023 is £776 (2022: £8).

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.
- Lifting of pandemic confinements.

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

Reserves Policy

The charity has total funds of £266,700 of which £6,672 are restricted and £260,028 unrestricted.

The free reserves of the charity are £247,598 this amounts to approximately 9 months based on 2022/23 expenditure levels. The target level of free reserves is 12 months and therefore falls short of target, the Board are focused on improving the position going forward.

Plans for the future

Our priorities for 2023/2024 include:

- Build a core team of staff that are passionate and committed to achieving Mellows missions.
- Diversify income stream by expanding training offers and creating CSR partnerships.
- Increase Mellow activity throughout; Scotland, England, Wales and Northern Ireland.
- Increase Mellows physical and online presence.
- Develop and implement an international growth strategy.
- We will at the same time:
- Continue with the hybrid style working for the foreseeable future.
- Continuing with the Action Plan, in which every member of staff has a stake.
- Record Action Plan targets and report to the Strategy Group and Mellow Board on a quarterly basis.
- Continue to support Mellow Practitioners through their training, group delivery, reflective consultation, evaluation and accreditation globally.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2023

Plans for the future (continued)

- Ensure strict financial recording and monitoring of activities and striving towards more promising finances.
- Appropriate Programme Development.
- Researching and applying for grants to continue future possible domestic partnerships.
- Researching and applying for grants for appropriate core support.
- Researching and applying for grants for appropriate programme development.
- Continuing work with our international partners, and seeking out new international partnerships.
- Continue working with university partners to research and evaluate Mellow programmes and trainings .
- Working to promote the work of our volunteers.
- Create a new Succession Plan.

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 four 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.

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2023

Structure, governance and management (continued)

These sub groups each have a Terms of Reference and may include specialist co-opted members as well as Trustees and include:

- Human Resource Group
- Finance/Strategy Group
- Fund Raising
- Short term working groups for specific areas of work or planning
- Ethics Group

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

Prior to each Board meeting, the CEO prepares board papers which contain reports from the:

- CEO
- Finance Officer
- Research and Evaluation
- Training Team
- Project and International Lead
- Digital Communications

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. This was most recently updated in April 2022 and a cost of living award granted to all staff

All Trustees complete a Register of Interests, Related Parties and Fit and Proper person forms regularly.

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).

MELLOW PARENTING LIMITED

Report of the Trustees for the year ended 31 March 2023


Company law requires the charity trustees to prepare financial statements for each year, which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

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 2019) 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:

DocuSigned by:

CF3AD0C5B6854F8...
Name: Joy Barlow

Date: 31 July 2023

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS OF MELLOW PARENTING LIMITED FOR THE YEAR ENDED 31 MARCH 2023

I report on the accounts of the charity for the year ended 31 March 2023, 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.

DocuSigned by:

Catherine Livingstone

DE20F2D1B2E544A...

Catherine Livingstone BA (Hons) CA

Wylie & Bisset LLP

168 Bath Street

Glasgow

G2 4TP

Date: 31 July 2023

MELLOW PARENTING LIMITED
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2023
(Including an Income and Expenditure account)

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
Income and endowments from:							
Donations and legacies	4	120	-	120	-	-	-
Charitable activities	5	178,807	153,148	331,955	142,556	142,387	284,943
Investments	6	776	-	776	8	-	8
Total Income		179,703	153,148	332,851	142,564	142,387	284,951
Expenditure on:							
Charitable activities	8	160,603	158,314	318,917	97,420	167,426	264,846
Total Expenditure		160,603	158,314	318,917	97,420	167,426	264,846
Net income /(expenditure) for the year		19,100	(5,166)	13,934	45,144	(25,039)	20,105
Transfers between funds	18	-	-	-	2,916	(2,916)	-
Net movement in funds		19,100	(5,166)	13,934	48,060	(27,955)	20,105
Funds reconciliation							
Total Funds brought forward	18	240,928	11,838	252,766	192,868	39,793	232,661
Total Funds carried forward	18	260,028	6,672	266,700	240,928	11,838	252,766

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 2023**

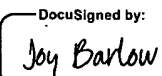
	Note	2023 £	2022 £
Fixed assets:			
Intangible assets	12	5,832	5,832
Tangible assets	13	2,598	5,198
Total Fixed Assets		<u>8,430</u>	<u>11,030</u>
Current assets:			
Stocks	14	1,632	5,731
Debtors	15	17,568	38,524
Cash at bank and in hand		264,001	262,798
Total Current Assets		<u>283,201</u>	<u>307,053</u>
Liabilities:			
Creditors falling due within one year	16	<u>(24,931)</u>	<u>(65,317)</u>
Net Current assets		258,270	241,736
Net assets		<u>266,700</u>	<u>252,766</u>
The funds of the charity:			
Unrestricted funds	18	260,028	240,928
Restricted funds	18	6,672	11,838
Total charity funds		<u>266,700</u>	<u>252,766</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 2023 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 and authorised for issue by the trustees and signed on their behalf by:

DocuSigned by:

 Name: Joy Barlow

DocuSigned by:

 Name: Barbara Southern

Date: 31 July 2023

COMPANY NO: SC349127

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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) (effective 1 January 2019) 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 2023

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 7.

(f) Intangible assets

Intangible assets shown on the balance sheet relates to development of the charity's website. The website is not yet complete and therefore no amortisation has been accounted for in the accounts to 31st March 2023.

(g) 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 2023

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.

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting Policies (continued)

(o) Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The trustees are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows;

<u>Estimate</u>	<u>Basis of estimation</u>
Depreciation and amortisation of fixed and intangible assets	Assets are depreciated and amortised over the useful life of the asset. The useful lives of fixed assets are based on the knowledge of the operations team, with reference to assets expected life cycle.

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.

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 (2022: £nil). During the year there were no trustee travel expenses reimbursed (2022: £nil). Trustee expenses totalling £407 (2022: £31) were waived by 7 trustees during the year.

There were no trustee donations made to the charity during the year (2022: none).

During the year no trustee or other person related to the charity had any personal interest in any contact or transaction entered into by the charity during the year.

4. Income from donations and legacies

	2023 £	2022 £
Donations	120	-
	<u>120</u>	<u>-</u>

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****5. Income from charitable activities**

	2023	2022
	£	£
Core	331,955	284,943
	<u>331,955</u>	<u>284,943</u>

6. Investment income

	2023	2022
	£	£
Interest on cash deposits	776	8
	<u>776</u>	<u>8</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	2022 Total allocated £	2022 Governance related £	2022 Other support costs £	Basis of apportionment
Salaries	36,313	5,447	30,866	<i>Time spent</i>
Total	<u>36,313</u>	<u>5,447</u>	<u>30,866</u>	

Cost type	2023 Total allocated £	2023 Governance related £	2023 Other support costs £	Basis of apportionment
Salaries	42,347	6,352	35,995	<i>Time spent</i>
Total	<u>42,347</u>	<u>6,352</u>	<u>35,995</u>	

Governance costs:

	2023 £	2022 £
Independent examiners' remuneration	1,573	1,507
Board costs	709	186
Support costs (see above)	6,352	5,447
	<u>8,634</u>	<u>7,140</u>

Breakdown of governance and support costs by activity

	2022 Support Costs £	2022 Governance Costs £	2022 Total £	2023 Support Costs £	2023 Governance Costs £	2023 Total £
Core	30,866	7,140	38,006	35,995	8,634	44,629
Total allocated	<u>30,866</u>	<u>7,140</u>	<u>38,006</u>	<u>35,995</u>	<u>8,634</u>	<u>44,629</u>

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****8. Analysis of expenditure on charitable activities**

	2023 Core £	2023 Total £	2022 Core £	2022 Total £
Restricted project costs (including salaries)	159,838	159,838	168,358	168,358
Salaries not recharged	15,809	15,809	5,862	5,862
General expenses	7,603	7,603	4,192	4,192
Depreciation	2,600	2,600	2,600	2,600
Training costs	57,526	57,526	26,278	26,278
Meetings, conference & events	-	-	111	111
Premises and office expenses	26,413	26,413	15,841	15,841
Staff travel and expenses	215	215	-	-
BSI, memberships and subscriptions	4,284	4,284	3,598	3,598
Governance costs (note 7)	8,634	8,634	7,140	7,140
Support costs (note 7)	35,995	35,995	30,866	30,866
	<u>318,917</u>	<u>318,917</u>	<u>264,846</u>	<u>264,846</u>

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

	2023 £	2022 £
Salaries and wages	169,906	158,915
Social security costs	10,725	10,401
Employer contributions to defined contribution pension schemes	11,370	11,773
Total staff costs and employee benefits	<u>192,001</u>	<u>181,089</u>

No employees had employee benefits in excess of £60,000 (2022: £Nil).

	2023 No.	2022 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>6</u>	<u>6</u>

	2023 £	2022 £
Key management personnel remuneration	<u>78,105</u>	<u>70,507</u>

10. Net income/(expenditure) for the year

	2023 £	2022 £
This is stated after charging:		
Depreciation	2,600	2,600
Independent Examiners Fees	<u>1,573</u>	<u>1,507</u>

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****11. Government Grants**

	2023 £	2022 £
CYPFEIF – Scottish Government	145,541	138,584
	<u>145,541</u>	<u>138,584</u>

12. Intangible Assets

	Website Development £	Total £
Cost		
At 1 April 2022	5,832	5,832
Additions	-	-
Disposals	-	-
At 31 March 2023	<u>5,832</u>	<u>5,832</u>
Amortisation		
At 1 April 2022	-	-
Eliminated on disposals	-	-
Charge for the year	-	-
At 31 March 2023	<u>-</u>	<u>-</u>
Net book value		
At 31 March 2022	<u>5,832</u>	<u>5,832</u>
At 31 March 2023	<u>5,832</u>	<u>5,832</u>

The website is still under development and consequently no amortisation has been charged.

13. Tangible Fixed Assets

	Fixtures, Fittings & Equipment £	Computer Equipment £	Total £
Cost or valuation			
At 1 April 2022	7,681	27,272	34,953
Additions	-	-	-
Disposals	-	-	-
At 31 March 2023	<u>7,681</u>	<u>27,272</u>	<u>34,953</u>
Depreciation			
At 1 April 2022	7,574	22,181	29,755
Eliminated on disposals	-	-	-
Charge for the year	55	2,545	2,600
At 31 March 2023	<u>7,629</u>	<u>24,726</u>	<u>32,355</u>
Net book value			
At 31 March 2023	<u>52</u>	<u>2,546</u>	<u>2,598</u>
At 31 March 2022	<u>107</u>	<u>5,091</u>	<u>5,198</u>

At 31 March 2023 all assets were used for charitable purposes.

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****14. Stock**

	2023	2022
	£	£
Stock	1,632	5,731
	<u>1,632</u>	<u>5,731</u>

15. Debtors

	2023	2022
	£	£
Trade debtors	14,610	34,098
Other debtors	2,958	4,426
	<u>17,568</u>	<u>38,524</u>

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	4,834	7,223
Other creditors and accruals	4,013	4,987
Deferred income (Note 17)	11,825	48,512
Taxation and social security costs	4,259	4,595
	<u>24,931</u>	<u>65,317</u>

17. Deferred income

	2023	2022
	£	£
Balance as at 1 April 2022	48,512	25,582
Amount released to income earned from charitable activities	(48,512)	(25,582)
Amount deferred in year	11,825	48,512
Balance as at 31 March 2023	<u>11,825</u>	<u>48,512</u>

Deferred income comprises income from training sessions invoiced prior to the year end but not scheduled to take place until after the year end.

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****18. Analysis of charitable funds**

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Unrestricted funds					
External Exhibitions & Conferences	2,000	-	-	-	2,000
Research & Development	2,000	-	-	-	2,000
Tangible Fixed Assets	10,714	-	(2,600)	2,916	11,030
Total designated funds	14,714	-	(2,600)	2,916	15,030
General funds	178,154	142,564	(94,820)	-	225,898
Total unrestricted funds	192,868	142,564	(97,420)	2,916	240,928
Restricted funds					
Adapt and Thrive Fund	5,622	-	(2,706)	(2,916)	-
Adapt and Thrive Supplementary Grant	34,171	-	(23,587)	-	10,584
CYPFEIF	-	138,584	(138,584)	-	-
PIMH Grant	-	3,803	(2,549)	-	1,254
Total restricted funds	39,793	142,387	(167,426)	(2,916)	11,838
TOTAL FUNDS	232,661	284,951	(264,846)	-	252,766

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Unrestricted funds					
External Exhibitions & Conferences	2,000	-	-	-	2,000
Research & Development	2,000	-	-	-	2,000
Tangible Fixed Assets	11,030	-	(2,600)	-	8,430
Total designated funds	15,030	-	(2,600)	-	12,430
General funds	225,898	179,703	(158,003)	-	247,598
Total unrestricted funds	240,928	179,703	(160,603)	-	260,028
Restricted funds					
Adapt and Thrive Supplementary Grant	10,584	-	(3,912)	-	6,672
CYPFEIF	-	145,541	(145,541)	-	-
PIMH Grant	1,254	7,607	(8,861)	-	-
Total restricted funds	11,838	153,148	(158,314)	-	6,672
TOTAL FUNDS	252,766	332,851	(318,917)	-	266,700

MELLOW PARENTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

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:

- Adapt and Thrive Fund – Grant income towards the costs of computer equipment and website development.
- Adapt and Thrive Supplementary Grant – Funding towards the costs of delivering groups.
- 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.
- PIMH Grant – funding to enable the delivery of online Mellow Groups by Mellow Parenting - Mellow Bumps and Mellow Babies - which support and promote maternal, paternal and infant mental health.

MELLOW PARENTING LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023****19. Net assets over funds**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £
Fixed assets	-	11,030	-	11,030
Stock	5,731	-	-	5,731
Debtors	38,524	-	-	38,524
Bank & Cash	2452,058	4,000	13,740	262,798
Creditors	(63,415)	-	(1,902)	(65,317)
	<u>225,898</u>	<u>15,030</u>	<u>11,838</u>	<u>252,766</u>
	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2023 £
Fixed assets	-	8,430	-	8,430
Stock	1,632	-	-	1,632
Debtors	17,568	-	-	17,568
Bank & Cash	253,329	4,000	6,672	264,001
Creditors	(24,931)	-	-	(24,931)
	<u>247,598</u>	<u>12,430</u>	<u>6,672</u>	<u>266,700</u>