

BLYTHSWOOD PROPERTY HOLDINGS PLC
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2009 TO 31 DECEMBER 2009

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BLYTHSWOOD PROPERTY HOLDINGS PLC

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for the period 1 April 2009 to 31 December 2009

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BLYTHSWOOD PROPERTY HOLDINGS PLC

COMPANY INFORMATION

for the period 1 April 2009 to 31 December 2009

| | |
|---------------------------|--|
| DIRECTORS: | R W M MacKenzie J M Campbell |
| SECRETARY: | Ledingham Chalmers LLP |
| REGISTERED OFFICE: | Johnstone House 52-54 Rose Street Aberdeen AB10 1HA |
| REGISTERED NUMBER: | 071449 (Scotland) |
| AUDITORS: | MacKenzie Kerr Chartered Accountants and Statutory Auditor Redwood 19 Culduthel Road Inverness IV2 4AA |
| BANKERS: | Bank of Scotland 201 Union Street Aberdeen AB11 6UG |
| SOLICITORS: | Ledingham Chalmers LLP Johnstone House 52-54 Rose Street Aberdeen AB10 1HA |

BLYTHSWOOD PROPERTY HOLDINGS PLC

REPORT OF THE DIRECTORS

for the period 1 April 2009 to 31 December 2009

The directors present their report with the financial statements of the company for the period 1 April 2009 to 31 December 2009.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the ownership and letting out of premises for occupation by organisations engaged in the sale and distribution of Christian literature.

REVIEW OF BUSINESS

During the period, control of the company was transferred to Blythswood Trustees Limited and BC Trustees Limited, the trustees of Blythswood Care, a Scottish charity, which owns 100% of the issued share capital.

DIVIDENDS

No dividends will be distributed for the period ended 31 December 2009.

FIXED ASSETS

During the period, the long leasehold assets ceased to be held as investment property as the leases are held by the parent company.

DIRECTORS

R W M MacKenzie has held office during the whole of the period from 1 April 2009 to the date of this report.

Other changes in directors holding office are as follows:

W N L Donker - resigned 31 July 2009

J J Linker - resigned 3 August 2009

J M Campbell was appointed as a director after 31 December 2009 but prior to the date of this report.

D K Laing , I K MacKenzie and W J Campbell ceased to be directors after 31 December 2009 but prior to the date of this report.

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company does not follow a particular code or standard in connection with the payment of creditors but creditors are normally paid on receipt of an invoice for goods or services supplied.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BLYTHSWOOD PROPERTY HOLDINGS PLC

REPORT OF THE DIRECTORS

for the period 1 April 2009 to 31 December 2009

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, MacKenzie Kerr, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
R W M MacKenzie - Director

Date: 11 June 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BLYTHSWOOD PROPERTY HOLDINGS PLC

We have audited the financial statements of Blythswood Property Holdings PLC for the period ended 31 December 2009 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note twelve to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



John Fraser, CA (Senior Statutory Auditor)
for and on behalf of MacKenzie Kerr
Chartered Accountants and
Statutory Auditor
Redwood
19 Culduthel Road
Inverness
IV2 4AA

Date: 14 June 2010

BLYTHSWOOD PROPERTY HOLDINGS PLC**PROFIT AND LOSS ACCOUNT**

for the period 1 April 2009 to 31 December 2009

| | Notes | Period 1/4/09 to 31/12/09 £ | Year Ended 31/3/09 £ |
|---|-------|---|----------------------------|
| TURNOVER | 2 | - | 1,200 |
| Administrative expenses | | 6,093 | 6,179 |
| OPERATING LOSS | 4 | (6,093) | (4,979) |
| Interest receivable and similar income | | 42 | 944 |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (6,051) | (4,035) |
| Tax on loss on ordinary activities | 5 | - | - |
| LOSS FOR THE FINANCIAL PERIOD AFTER TAXATION | | <u>(6,051)</u> | <u>(4,035)</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

The notes form part of these financial statements

BLYTHSWOOD PROPERTY HOLDINGS PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the period 1 April 2009 to 31 December 2009

| | Period 1/4/09 to 31/12/09 £ | Year Ended 31/3/09 £ |
|---|---|----------------------------|
| LOSS FOR THE FINANCIAL PERIOD | (6,051) | (4,035) |
| Movement on revaluation reserve | <u>3,570</u> | <u>-</u> |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD | <u><u>(2,481)</u></u> | <u><u>(4,035)</u></u> |

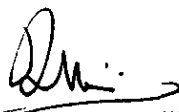
The notes form part of these financial statements

BLYTHSWOOD PROPERTY HOLDINGS PLC

BALANCE SHEET
31 December 2009

| | Notes | 2009 £ | 2009 £ |
|--|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 234,430 | 238,000 |
| CURRENT ASSETS | | | |
| Debtors | 7 | 45,678 | 24,219 |
| Cash at bank | | 12,014 | 34,348 |
| | | <u>57,692</u> | <u>58,567</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 8 | <u>2,526</u> | <u>920</u> |
| NET CURRENT ASSETS | | <u>55,166</u> | <u>57,647</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u><u>289,596</u></u> | <u><u>295,647</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 145,289 | 145,289 |
| Revaluation reserve | 10 | 152,430 | 156,000 |
| Profit and loss account | 10 | (8,123) | (5,642) |
| SHAREHOLDERS' FUNDS | 13 | <u><u>289,596</u></u> | <u><u>295,647</u></u> |

The financial statements were approved by the Board of Directors on 11 June 2010 and were signed on its behalf by:



.....
R W M MacKenzie - Director

The notes form part of these financial statements

BLYTHSWOOD PROPERTY HOLDINGS PLC**CASH FLOW STATEMENT****for the period 1 April 2009 to 31 December 2009**

| | | Period 1/4/09 to 31/12/09 £ | Year Ended 31/3/09 £ |
|---|--------------------------|---|----------------------------|
| Net cash outflow from operating activities | Notes 1 | (22,376) | (3,400) |
| Returns on investments and servicing of finance | 2 | 42 | 944 |
| Taxation | | - | (244) |
| Decrease in cash in the period | | (22,334) | (2,700) |
| <hr/> | | | |
| Reconciliation of net cash flow to movement in net funds | 3 | | |
| Decrease in cash in the period | | (22,334) | (2,700) |
| Change in net funds resulting from cash flows | | (22,334) | (2,700) |
| Movement in net funds in the period | | (22,334) | (2,700) |
| Net funds at 1 April | | 34,348 | 37,048 |
| Net funds at 31 December | | 12,014 | 34,348 |

The notes form part of these financial statements

BLYTHSWOOD PROPERTY HOLDINGS PLC

NOTES TO THE CASH FLOW STATEMENT
for the period 1 April 2009 to 31 December 2009

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

| | Period 1/4/09 to 31/12/09 £ | Year Ended 31/3/09 £ |
|---|---|----------------------------|
| Operating loss | (6,093) | (4,979) |
| Depreciation charges | 3,570 | - |
| (Increase)/Decrease in debtors | (21,459) | 1,482 |
| Increase in creditors | 1,606 | 97 |
| Net cash outflow from operating activities | (22,376) | (3,400) |

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | Period 1/4/09 to 31/12/09 £ | Year Ended 31/3/09 £ |
|--|---|----------------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 42 | 944 |
| Net cash inflow for returns on investments and servicing of finance | 42 | 944 |

3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/4/09 £ | Cash flow £ | At 31/12/09 £ |
|--------------|----------------------|------------------------|----------------------|
| Net cash: | | | |
| Cash at bank | 34,348 | (22,334) | 12,014 |
| | <u>34,348</u> | <u>(22,334)</u> | <u>12,014</u> |
| Total | <u>34,348</u> | <u>(22,334)</u> | <u>12,014</u> |

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents the total rent receivable for the year.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold - 2% on cost

2. TURNOVER

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

3. STAFF COSTS

There were no paid employees during either period.

4. OPERATING LOSS

The operating loss is stated after charging:

| | Period 1/4/09 to 31/12/09 £ | Year Ended 31/3/09 £ |
|-----------------------------|---|----------------------------|
| Depreciation - owned assets | 3,570 | - |
| Auditors' remuneration | 355 | 401 |
| | <u> </u> | <u> </u> |
| Directors' remuneration | - | - |
| | <u> </u> | <u> </u> |

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period ended 31 December 2009 nor for the year ended 31 March 2009.

BLYTHSWOOD PROPERTY HOLDINGS PLC**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the period 1 April 2009 to 31 December 2009**6. TANGIBLE FIXED ASSETS**

| | Long leasehold £ |
|--------------------------|------------------------|
| COST OR VALUATION | |
| At 1 April 2009 | |
| and 31 December 2009 | 238,000 |
| DEPRECIATION | |
| Charge for period | 3,570 |
| At 31 December 2009 | 3,570 |
| NET BOOK VALUE | |
| At 31 December 2009 | 234,430 |
| At 31 March 2009 | 238,000 |

The freehold properties owned by the company at 31 March 2010 were as follows:-

Shop and office premises, Lochcarron
32 Albany Street, Oban
Shop, Quay Street, Portree
16 Church Street, Stornoway
Shop, St Duthus Street, Tain
2 Harrapool, Broadford.

In previous years, these properties have been treated as investment properties and were accounted for in accordance with SSAP19. No depreciation was provided in respect of such properties. Although the Companies Act 1985 normally required systematic annual depreciation of fixed assets it was believed that this policy of not providing depreciation was necessary in order that the accounts give a true and fair view, since the current value of investment properties, and changes in that current value were of prime importance rather than a calculation of systematic annual depreciation. Depreciation was only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

The leaseholder is now the parent company and, as such, the property is no longer treated as investment property and is now depreciated at 2% per annum.

Freehold buildings were valued on an open market value for existing use basis on 31 March 2005 by D M Hall, and by Torrance Partnership, in accordance with the RICS Appraisal and Valuation Manual. The directors are not aware of any material change in value since 31 March 2005.

Cost or Valuation at 31 March 2010 is represented by:

| | Buildings |
|---------------------|-----------|
| | £ |
| Historical cost | 82,000 |
| Revaluation surplus | 156,000 |
| Valuation in 2010 | 238,000 |

BLYTHSWOOD PROPERTY HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS - continued for the period 1 April 2009 to 31 December 2009

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2009 £ | 2009 £ |
|------------------------------------|---------------|---------------|
| Rents receivable | 200 | 1,200 |
| Amounts owed by group undertakings | 45,478 | 22,978 |
| Prepayments and accrued income | - | 41 |
| | <u>45,678</u> | <u>24,219</u> |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2009 £ | 2009 £ |
|----------|--------------|------------|
| Accruals | <u>2,526</u> | <u>920</u> |

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: £1 | 2009 £ | 2009 £ |
|---------|----------|-------------------------|----------------|----------------|
| 145,289 | Ordinary | | <u>145,289</u> | <u>145,289</u> |

10. RESERVES

| | Profit and loss account £ | Revaluation reserve £ | Totals £ |
|------------------------|------------------------------------|-----------------------------|----------------|
| At 1 April 2009 | (5,642) | 156,000 | 150,358 |
| Deficit for the period | (6,051) | | (6,051) |
| Depreciation | 3,570 | (3,570) | - |
| At 31 December 2009 | <u>(8,123)</u> | <u>152,430</u> | <u>144,307</u> |

11. RELATED PARTY DISCLOSURES

At the balance sheet date, the company was owed £45,478 (31 March 2009 - £22,978) from its parent undertaking, Blythswood Care, a Scottish charity. R W M MacKenzie is a director of Blythswood Trustees Limited which is a trustee of Blythswood Care and J M Campbell (appointed as a director of the company since the balance sheet date) is company secretary of Blythswood Trustees Limited and BC Trustees Limited which is the other trustee of Blythswood Care.

During the period the company paid £460 (31 March 2009 - £460) for secretarial services and £1,706 for professional fees (31 March 2009 - £1,725) to a firm, Ledingham Chalmers LLP, in which D K Laing is a partner. £2,056 was due to Ledingham Chalmers LLP at the balance sheet date.

12. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2009 £ | 2009 £ |
|---|----------------|----------------|
| Loss for the financial period | (6,051) | (4,035) |
| Other recognised gains and losses relating to the period (net) | 3,570 | - |
| Depreciation on revaluation reserve | (3,570) | - |
| Net reduction of shareholders' funds | (6,051) | (4,035) |
| Opening shareholders' funds | 295,647 | 299,682 |
| Closing shareholders' funds | 289,596 | 295,647 |

14. PROVISION FOR LIABILITIES AND CHARGES

No provision has been made in the financial statements for the capital gains taxation on property valuation that took place in 2005, as the directors have no intention at this time of selling the property in the foreseeable future. Potential capital gains tax has been calculated as £17,854.

15. DISCLOSURE OF CONTROL

The company is controlled by Blythswood Trustees Limited and BC Trustees Limited, the trustees of Blythswood Care, a Scottish charity, which owns 100% of the issued share capital. R W M MacKenzie is a director of Blythswood Trustees Limited which is a trustee of Blythswood Care and J M Campbell (appointed as a director of the company since the balance sheet date) is company secretary of Blythswood Trustees Limited and BC Trustees Limited which is the other trustee of Blythswood Care.

BLYTHSWOOD PROPERTY HOLDINGS PLC**PROFIT AND LOSS ACCOUNT**

for the period 1 April 2009 to 31 December 2009

| | Period 1/4/09 to 31/12/09 | | Year Ended 31/3/09 | |
|------------------------|------------------------------|----------------|-----------------------|----------------|
| | £ | £ | £ | £ |
| Rental income | | - | | 1,200 |
| Other income | | | | |
| Interest received | | 42 | | 944 |
| | | <u>42</u> | | <u>2,144</u> |
| Expenditure | | | | |
| Repairs and renewals | - | | 3,575 | |
| Sundry expenses | - | | 14 | |
| Legal fees | 1,706 | | 1,725 | |
| Secretarial fees | 460 | | 460 | |
| Auditors' remuneration | 355 | | 401 | |
| Bank charges | 2 | | 4 | |
| Depreciation | <u>3,570</u> | | <u>-</u> | |
| | | <u>6,093</u> | | <u>6,179</u> |
| NET LOSS | | <u>(6,051)</u> | | <u>(4,035)</u> |

This page does not form part of the statutory financial statements