

BLYTHSWOOD CARE  
(FORMERLY BLYTHSWOOD CARE 2017)  
(Company Number: SC583493)  
(Charity Number: SC048001)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

*(a company limited by guarantee and not having a share capital)*  
31 DECEMBER 2018

COMPANIES HOUSE  
EDINBURGH

09 SEP 2019

FRONT DESK



**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

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**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

**DIRECTORS**

D Vardy (Chairman) (appointed 11 December 2017)  
J M Campbell (appointed 12 December 2017)  
I Gillies (appointed 11 December 2017)  
D K Laing (appointed 23 August 2018)  
P L Lyall (appointed 17 May 2018)  
R M McCheyne (appointed 11 December 2017)  
G B Smith (appointed 11 December 2017)  
S J Worgan (appointed 17 May 2018)

**PATRONS**

Lord Mackay of Clashfern KT PC

**ORGANISATION**

The day to day management of the Charity is delegated to James Campbell, Chief Executive.

**REGISTERED OFFICE**

Highland Deephaven Industrial Estate  
Evanton  
Dingwall  
Ross-shire  
IV16 9XJ

**AUDITORS**

Anderson Anderson & Brown Audit LLP  
Kingshill View  
Prime Four Business Park  
Kingswells  
ABERDEEN  
AB15 8PU

**BANKERS**

Bank of Scotland  
2-6 Eastgate  
Inverness  
IV12 3NA

**SOLICITORS**

Wright Johnston & Mackenzie LLP  
The Green House  
Beechwood Park North  
Inverness  
IV2 3BL

# **BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)** **DIRECTORS' ANNUAL REPORT**

The Directors present their report and accounts for the period from incorporation on 11 December 2017 to 31 December 2018.

Legal and administrative information set out on the previous page forms part of this report. The financial statements comply with current statutory requirements; the Articles of Association; 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) (effective 1 January 2015) and the Companies Act 2006.

## **CHARITABLE AIMS**

Our charitable purposes are:

- the advancement of the Christian religion
- the relief of sickness and financial hardship and the promotion and preservation of good health, and
- the promotion of education, particularly in the understanding of the Christian religion, by the printing, publishing, production and distribution of Christian literature and literacy materials.

In brief we seek the “**Transforming lives through Christian care for body and soul**”

We want to give more people at home and across the world, real hope, a true purpose and an exciting future, by sharing the love of Jesus with them in ways which offer an opportunity for changed values and more positive lifestyles.

On this journey our projects:

- Focus on the educational, practical and spiritual needs of the most vulnerable people
- Are managed by capable local leadership
- Are grounded in a strong financial base leading towards self-sustainability

## **OUR MISSION**

Blythswood Care seeks to transform lives through the impact of **education**, **community action** and the promotion of the **gospel**.

- Blythswood is committed to long-term care projects, enabling disadvantaged children and young people to fulfil their potential through **EDUCATION**.
- We provide practical help for people in their **COMMUNITY** to give them opportunities to provide for themselves.
- Sharing the life-bringing message of the **GOSPEL** is the underlying motivation in all that we do.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**DIRECTORS' ANNUAL REPORT (continued)**

**OUR VALUES**

As a Christian organisation committed to the gospel, we aim to operate to the following values:

**Compassion** - we are committed to going out of our way to help with the physical, spiritual, or emotional hurts or pains of those in need

**Excellence** - we seek to provide services to the highest professional standards

**Impartiality** - we seek to act fairly and sensitively with all, regardless of background or belief, according to their individual needs

**Integrity** - we are honest and trustworthy and will always seek to do the right thing

**Respect** - we respect the individual and are committed to equal opportunity for all staff and volunteers

**Responsibility** - we ensure our actions are always lawful, reasonable, proportionate and necessary

**Sustainability** - we work towards making every project self-sustaining.

**2018 highlights and achievements**

**Lives transformed** - the impact made by Blythswood's projects is best demonstrated by the reality of transformed lives

**Story from Talita Kum - ROMANIA**

Blythswood's after-school programme, **Talita Kum**, in western Romania first opened its doors in 2001. Seventeen years later many of the first children to enrol in Talita Kum are themselves parents. **Izaura**, now 24, has a six-year-old son in the reception class at school. As she is able to help him with his homework, she acknowledges the role that Blythswood played in enabling her to achieve literacy.

Izaura came from one of the poorest Roma families in Jimbolia and faced every disadvantage in her education. Both her parents were illiterate. Seeing little value in education, they were late in enrolling their children in school. In the classroom Izaura had to learn a new language, her mother tongue being Romani, and not Romanian. At home there was no-one to help her. Sometimes she missed weeks, even months, of school due to chaotic domestic circumstances. Her father was abusive, violent towards his children and his neighbours, and spent some time in jail.

In spite of everything, Izaura did well at school. And this she attributes to the help she received at Talita Kum. There she received a cooked meal every day, and had access to hot showers and clean clothes. More than that she had the attention of the social workers and teacher. The result was that the shy and quiet child made steady progress with her school work and learned to read and write well.

Today TK2 extends Talita Kum's winning combination of nutrition and education to children in junior secondary. Without that advantage, Izaura completed just five years at school and, having married at seventeen, has never had paid employment. But with Blythswood's help, these five years were sufficient to transform her life and that of her family.

"Right now Izaura is a homemaker and is focussed on raising her son," says Adrian Popa Founder and Director of Talita Kum, whose ambition has been to improve the life chances of the poorest children in his home town of Jimbolia. "She will look for a job when she feels she can manage home and work responsibilities. She knows that without Talita Kum she would not be able to help her son Cristian at school now. For this she is really grateful."

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
DIRECTORS' ANNUAL REPORT (continued)

**Story from Talita Kum - ROMANIA (continued)**

Looking at the wider impact of the programme, Adrian observes that the rate of early school leaving fell from 45% in 2009 to just 1.5% in 2018. "It's more than just educational achievements," he adds. "The TK programme actually means better people, that the youngsters who go through the programme really add value to their community."



At Talita Kum Izaura received a cooked meal every day, and had access to hot showers and clean clothes. More than that she had the attention of the social workers and teacher.

The result was that the shy and quiet child made steady progress with her school work and learned to read and write well.

**Story from SYCAM - INDIA**

After eight years in a children's home supported by Blythswood Care, a young man from a severely disadvantaged background is studying commerce and accountancy in his senior year at high school.

At the point at which he was given a place at SYCAM home in Chennai, India, **Agathian** was a vulnerable nine-year-old at risk of malnutrition and of growing up illiterate. His father suffered mental illness and his mother was unable to take care of the children as she undertook low-paid labouring jobs in order that they might eat.

At Sycam, the rapidly growing boy benefited from regular meals, social interaction with the other children and encouragement to work hard at school.

"Agathian has done well in his studies," says Pastor Emmanuel Milton who directs the home and its associated Carmel school. "He has a good, helpful nature and is caring towards the younger children."

Now 17, Agathian enjoys volleyball and dancing and says he wants to become a pastor. Pastor Milton is not going to discourage him. "He is a responsible youth," he says.



Agathian worked hard at school and made good use of the life-changing opportunities given to him by Blythswood supporters.

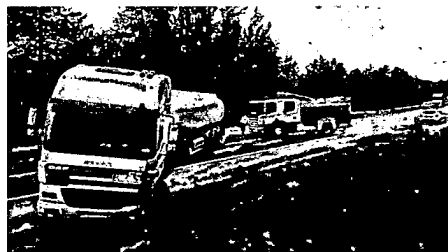
These stories of transformation - and many others like them - are possible only because of the generosity of individuals, churches and funders.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
DIRECTORS' ANNUAL REPORT (continued)

**999 Project - Eastern Europe**

During 2018 Blythswood sent the equivalent of 25 shipments of aid to eight countries in Europe - Albania, Bulgaria, Hungary, Kosovo, Moldova, Romania, Serbia and Ukraine.

We also supplied five fully-equipped fire engines and an ambulance to Moldova through our 999 Project.



**Aid Relief**

In all, 199 tonnes of aid was delivered through 40 different organisations around the world. Some medicines were purchased to satisfy individual requests and some food was purchased within recipient countries. All other aid was donated by individuals, by other charities or organisations such as hospitals or by manufacturers. Our ongoing membership of Global Hand has also widened our support network.



**1,063 aid loads sent**

since 1990 valued at £31,466,000

This aid included 107,073 Christmas shoeboxes, all of which were sent out before the end of the year.

Since it began in 1993 the appeal has delivered 2,296,905 boxes.



Societatea de Caritate Blythswood (SCB) in Romania made up a further 1,000 shoeboxes. Boxes were delivered to children in hospital, to elderly people in care, to children with hearing and speech impediments, and to other needy individuals in some of the poorest communities in Romania.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**DIRECTORS' ANNUAL REPORT (continued)**

**Aid Relief (continued)**

Blythswood's **Basis Project** set up by SCB continued to give monthly support to 50 poor families with food, clothing and footwear, and to provide emotional support along with social and pastoral counselling. These families are chosen on a means-tested basis.



**UK projects**

**Crisis Intervention**

The Highland Foodbank has continued to help people in crisis, distributing 55 tonnes of food to 7,009 recipients in the past year. People utilise foodbanks for a variety of reasons, the most common being benefit delays, low income and benefit changes. Apart from the two foodbanks in Inverness, rural foodbanks have been supported in Alness, Aviemore, Dingwall, Tain, Nairn, Kyle, Thurso and Wick throughout 2018.

Edinburgh South East Foodbank also distributed food to 1,526 clients.



**Over 55,000  
 people  
 fed through  
 our Foodbanks**  
 since starting in 2005

When Kenneth (not his real name) visited **Highland Foodbank**, it was the friend who accompanied him who did most of the talking.

"Kenneth looked really down but his friend knew exactly what he was going through as he had found himself in the same situation two years ago," says foodbank coordinator Lorna Dempster. "Both men had served in the military, and had witnessed some horrific incidents. They retired from the forces only to experience marriage breakdown, homes being repossessed and depression.

"Kenneth's friend has had time to deal with some of the issues and is a stronger person as a result. Over a cup of tea he encouraged Kenneth to open up about the difficulties he is facing both financially and emotionally.

"Poppy Scotland have been fantastic in supporting both men, and it was they who referred Kenneth to Foodbank. He was grateful for the food we gave him, saying it was one thing less for him to worry about."

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
DIRECTORS' ANNUAL REPORT (continued)

**Christian Literature and Ministry**

From its origins as the Blythswood Tract Society in 1966, Blythswood has promoted the good news of Jesus Christ through the printed page. This remains central to our strategy today.

Each year Blythswood's **Shoe Box Appeal** provides a great opportunity to distribute booklets that share the gospel in age-appropriate words and pictures. For 2018 *Jesus is Alive* by Carine Mackenzie was reprinted in six languages. This 32-page full colour booklet tells the story of the Resurrection in a way suitable for children.

*Eternity and You* tells how a young man growing up in Tito's Yugoslavia became a Christian. Dragisa Armus who shares his story in this specially-produced booklet for teenagers is director of Blythswood Serbia and has a lifetime's experience of sharing the gospel with young people.

For boxes for older people we obtained *Words of Life* calendars from the Trinitarian Bible Society in five languages and published a Scripture calendar in Bulgarian, using photographs by Mike Ogborne.

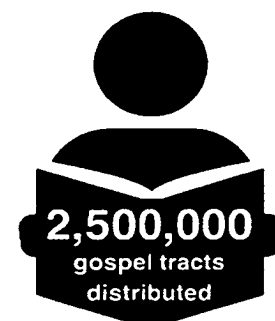
In total 138,264 items were purchased at a cost of £43,366 making the average cost of an item of shoebox literature 31p. The Shoe Box Appeal was Blythswood's largest Christian literature project in 2018.

Using 10ofthose.com as our supplier we make a selection of Christian books available in 21 of our charity shops. The selection is replaced quarterly, with unsold stock coming back to head office and being used for literature grants. Through the 14 shops on this scheme that use Cybertill, we sold 1,021 books through this scheme (compared to 933 in 2017).

Blythswood Care continues the original activity of the Blythswood Tract Society, making gospel tracts available to Christian workers around the world. In 2018, 285 grants were made to 148 grantees in 16 countries (Albania, Bulgaria, Cameroon, Ghana, India, Kenya, Liberia, Malawi, Moldova, Nigeria, Pakistan, Romania, South Africa, United Kingdom, USA and Zambia).

These grants included 91,500 tracts, and Bibles and New Testaments in Telugu, Chichewa and Tagalog. They also included some grants of children's books in east European languages, surplus to previous years' Shoe Box Appeals.

In 2018 Blythswood Care published *Can I Find Peace* by John Tallach. This is an evangelistic booklet, fully illustrated in colour, including some pictures.



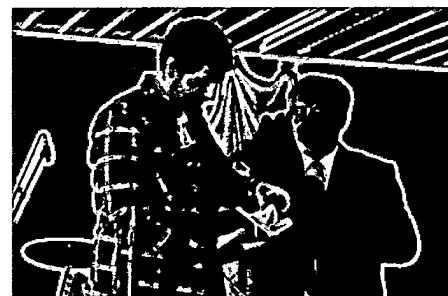
The **Seafarers' Centre** at Invergordon, just six miles from our head office, continues to provide an amazing outlet for Bibles and Christian literature put into the hands of people from all around the world. In 2018 we spent £5,926 on this project, as well as reusing donated second hand Bibles and unsold Christian books returned from our charity shops. For this work at the Seafarers' Centre we obtained Bibles and Christian literature in 15 languages (Burmese, Chinese, Croatian, English, French, German, Indonesian, Italian, Portuguese, Russian, Serbian, Spanish, Tagalog, Turkish and Ukrainian).

The English edition of *Let's Study Mark & Acts*, Blythswood's bible distribution scheme first published in 1982, now generates interest in just a small number of students. Seventeen completed the course in 2018 (13 from Nigeria and four from Cameroon). The Romanian edition is used and distributed by Elpis Foundation, one of our partner organisations in Romania.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
DIRECTORS' ANNUAL REPORT (continued)

**Christian Literature and Ministry (continued)**

Blythswood supported 10 pastors in Eastern Europe, and village ministry and child evangelism in Asia. And with an eye to reaching young people in our own immediate community, we supported the ministry of Street Pastors in Inverness, and of Dingwall Youth Café.



**Trading & Recycling**

Throughout 2018 Blythswood Trading continued to develop our collection, processing, charity shop sales and end markets for the many items generously donated to us e.g. clothes, shoes, furniture, bric-a-brac, toys and books.

Blythswood's end-to-end capability (retail, recycling and humanitarian aid coupled with our logistical expertise), makes the organisation highly effective in the stewardship of these donations and provides employment for people who otherwise might struggle to find jobs.

Blythswood Trading's turnover for 2018 was £2.279M.

Over 2,120 tonnes of donated goods were reused and recycled by Blythswood Trading, equating to over six million individual items. This created employment and volunteering opportunities for people with various skill levels and backgrounds.

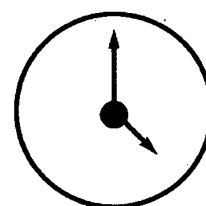
Blythswood is a member of Community Resources Network Scotland (CRNS) and also Revolve, the Scottish reuse retail quality accreditation scheme, which demonstrates our effectiveness in selling second-hand goods.

**Volunteers**

People of all ages find opportunity to volunteer their time and skills in Blythswood Care.

We have over 1,000 volunteers around the country - checking shoeboxes, fundraising, participating in support groups, marking correspondence courses, giving talks, serving in charity shops, sorting donated goods, driving vehicles, and helping to run summer camps for children in Eastern Europe.

We wish to thank them for all their hard work throughout the year.



**Over 60,000**  
**volunteer**  
**hours**

given in 2018 valued at  
more than £469,000  
at the national  
minimum wage



**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**DIRECTORS' ANNUAL REPORT (continued)**

**Appreciation**

*The Board of Trustees are very grateful and would like to express their gratitude to the dedicated staff and volunteers for the huge contribution they make throughout the year. Without their hard work, vision and willingness to go the extra mile, much of what is accomplished through Blythswood Care would not be possible.*

*"Let us consider how we may spur one another on towards love and good deeds.....let us encourage one another - and all the more as you see the day approaching."*

*Hebrews 10: 24-25*

**RESULTS**

The financial statements show net outgoing resources deducted from reserves of £131,640 (2017 combined - £105,636).

Donation income was £4,817,140 (2017 combined - £5,246,484) with £3,575,245 (2017 combined - £3,949,826) being donations in kind.

The results of the trading subsidiary enabled a donation of £91,674 (2017 - £213,981) to be made to the charity.

**ADMINISTRATION COSTS**

The trustees are pleased to report that administration costs were contained to only 3.9% (2017 - 3.7%) of incoming resources thereby enabling most of the income generated to be used for the provision of aid.

**TRUSTEES**

The Directors of the charitable company are the charity trustees under charity law. The trustees who served during the period were as follows:

G B Smith (appointed 11 December 2017)  
I Gillies (appointed 11 December 2017)  
D Vardy (appointed 11 December 2017)  
R M McCheyne (appointed 11 December 2017)  
S Worgan (appointed 17 May 2018)  
P Lyall (appointed 17 May 2018)  
D Laing (appointed 23 August 2018)  
J M Campbell (Chief Executive) (appointed 12 December 2017)

**APPOINTMENT OF NEW TRUSTEES**

The existing trustees, together with the Chief Executive, seek to identify potential new trustees with the character, energy, shared vision, skills and experience to provide a positive contribution to Blythswood Care and who we consider will be able to help in our development. Potential trustees are given significant exposure to Blythswood before a decision is made on their appointment.

The power to appoint new trustees rests with the non-executive trustees who act as guarantors under the Articles of Association. That power is exercised by special resolution.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**DIRECTORS' ANNUAL REPORT (continued)**

**INDUCTION OF NEW TRUSTEES**

A full induction programme is provided for new trustees covering areas that include:

- our vision, mission and values;
- explanations of all of Blythswood's projects and services;
- details of our objectives for our coming year and our strategic plan;
- the roles and responsibilities of trustees under charity law and governance.

**ORGANISATIONAL STRUCTURE**

The charity (referred to here as "New Blythswood") operates as a company limited by guarantee which is registered as a Scottish Charity. The charitable activities were previously operated under a trust deed (referred to here as "Old Blythswood"). In 2017 the trustees of Old Blythswood promoted the incorporation of New Blythswood for the purpose of transferring the activities of Old Blythswood to New Blythswood with improved governance structures.

During 2018 the trustees of Old Blythswood entered into a Donation Agreement under which they agreed to transfer control of their assets and charitable activities to New Blythswood. Old Blythswood remains in existence to hold title to some of the properties and as the prospective recipient of any legacies for the benefit of Old Blythswood.

As a result of these arrangements Blythswood Trading Limited ("BTL") is now a wholly owned subsidiary of New Blythswood which itself took over the charitable activities on 1 April 2018.

On 29 March 2018, with the consent of the Office of the Scottish Charity Regulator, New Blythswood was formally registered with the name "Blythswood Care" and Old Blythswood changed its name to Blythswood Care 1993.

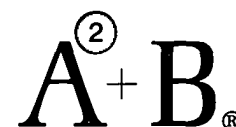
New Blythswood is viewed by the Directors as the parent undertaking of the group, holding 100% of the share capital of BTL and controlling the activities of Old Blythswood through the voting control held by the four trustees of Old Blythswood who are also trustees of New Blythswood.

**VAT GROUPING**

For completeness it is noted here that New Blythswood and BTL formed a VAT group with an effective date of registration of 29 March 2018. Old Blythswood does not form part of the VAT group. BTL is the representative member of the group responsible for administering the VAT affairs of the group.

**KEY MANAGEMENT**

The Chief Executive, James M Campbell, together with the Head of Operations, Head of Projects and Head of Finance handle the day to day running of the charity and, together with the Trustees, form the key management of the group. Meetings with the Trustees are held on a quarterly basis where the performance of the trading subsidiary and charities are discussed along with any developments. Management accounts are also provided for review.



**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**DIRECTORS' ANNUAL REPORT (continued)**

**RELATED PARTIES**

Trustees all gave their time and expertise without any form of remuneration or other benefit in cash or kind (2017: £nil). Expenses paid to trustees during the year 2018 amounted to £1,661 (2017 - £nil).

During the year 2018, two trustees donated £3,200 to the charity's general funds (2017: three trustees donated £1,516 to the charity's general funds).

Blythswood Care partners with Societatea de Caritate Blythswood and Blythswood SRL along with Blythswood (BANAT) Branch and SRL in Romania, and also with Blythswood Serbia, in Serbia. Blythswood Ireland Limited also works in partnership with Blythswood Care.

The trustees of Old Blythswood promoted the incorporation of New Blythswood, a new company limited by guarantee, for the purposes described above under which the charity's activities would be conducted by an incorporated entity.

**FUTURE PLANS**

The demands upon the charity increase both in the UK and overseas. The food banks continue to serve an increased customer base. Applications to the charity, as it becomes more widely known, from all around the world present increasing challenges as to how the available resources can be allocated for maximum impact. The trustees earnestly hope and pray they will be able to identify additional sources of income, through generous donations and internal activities, so they are able to increase their support to needy people both at home and abroad as they seek to transform lives through Christian care for body and soul.

**RESERVES POLICY**

The trustees keep the level of reserves under regular review. Blythswood was founded on the basis of the Christian belief that a faithful God will supply all our needs. Therefore, the trustees continue to maintain that it is not appropriate to retain significant surpluses. As a general policy the trustees intend to maintain sufficient reserves to meet the day-to-day operational needs of the charity. Subject to that policy it is their intention to make discretionary grants as cash is available and to review applications for grants in line with unallocated and uncommitted funds.

**RISK MANAGEMENT**

The Trustees are required to produce a statement of policy on risk identification and management, and this has been done to a good and established standard. To support this action the Trustees follow a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the organisation faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. This process is monitored by the Board quarterly and reviewed annually.

This work has identified that financial sustainability is the major financial risk for both charities, and the trading subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital by both organisations. Attention has also been focused on non-financial risks arising from fire, health and safety at all the organisations facilities. These risks are managed by ensuring the organisation has robust policies and procedures in place, and regular awareness training for staff working in these operational areas. The Trustees also review the central accident book and 'near misses' on a quarterly basis.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**DIRECTORS' ANNUAL REPORT (continued)**

**BASIS OF ACCOUNTING**

During the period Old Blythswood entered into a Donation Agreement with New Blythswood under which it agreed to transfer to New Blythswood for no consideration its operating activities and assets. - The effective date of that agreement was 2 April 2018.

The directors consider that there has been no change to the operating activities of this group by the reorganisation and the group accounts should be prepared using merger accounting, and presented within the financial statements of New Blythswood.

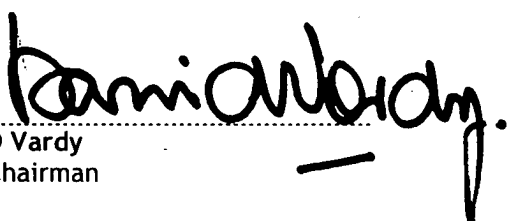
Accordingly, the Directors have concluded that the financial statements give a true and fair view of the Blythswood Care's financial position, financial performance and cash flows; that the company has complied with FRS102 and applicable legislation.

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that each Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

The Directors' report was approved by the board of Directors and signed on its behalf.

  
D Vardy  
Chairman

Date: 9 SEPTEMBER 2019

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**

The Directors (who are also charity trustees for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year. 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 charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departing disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in operation.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

### **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF BLYTHSWOOD CARE**

#### **OPINION**

We have audited the financial statements of Blythswood Care (formerly Blythswood Care 2017) (the 'charity') for the period ended 31 December 2018 set out on pages 17 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 December 2018 and of the group and the charity's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Charities and Director Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **USE OF OUR REPORT**

This report is made solely to the charity's Directors, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Directors those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF BLYTHSWOOD CARE (continued)**

**OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Directors' report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

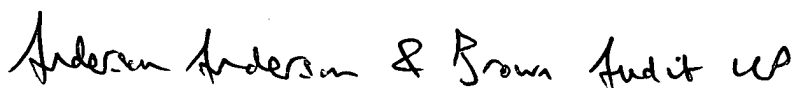
In preparing the financial statements, the Directors are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)****INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS AND MEMBERS OF BLYTHSWOOD CARE (continued)****AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under section 44(1)(c) of the Charities and Director Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



John Black (Senior statutory auditor)

for and on behalf of

**Anderson Anderson & Brown Audit LLP**

Kingshill View  
Prime Four Business Park  
Kingswells  
Aberdeen  
AB15 8PU

Date: 9 SEPTEMBER 2019

Anderson Anderson & Brown Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds £	Restricted funds £	2018 Total Funds £	Combined 2017 Total Funds £
<b>INCOME FROM:</b>					
Donations and legacies	3	4,643,269	447,585	5,090,854	5,346,069
Commercial trading operations	4	2,279,138	-	2,279,138	2,315,548
Investments	5	7,741	-	7,741	5,400
<b>TOTAL</b>		<b>6,930,148</b>	<b>447,585</b>	<b>7,377,733</b>	<b>7,667,017</b>
<b>EXPENDITURE ON:</b>					
Raising funds	6	427,801	-	427,801	456,005
Commercial trading operations		2,210,206	-	2,210,206	2,062,093
Charitable activities	7	4,251,892	619,474	4,871,366	5,254,555
<b>TOTAL</b>		<b>6,889,899</b>	<b>619,474</b>	<b>7,509,373</b>	<b>7,772,653</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>40,249</b>	<b>(171,889)</b>	<b>(131,640)</b>	<b>(105,636)</b>
Transfer between funds		(140,914)	140,914	-	-
<b>NET MOVEMENT ON FUNDS</b>		<b>(100,665)</b>	<b>(30,975)</b>	<b>(131,640)</b>	<b>(105,636)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		392,155	282,572	674,727	780,363
Total funds carried forward		291,490	251,597	543,087	674,727

All income and expenditure derive from continuing operations.

The notes on pages 22 to 42 form part of these financial statements.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds £	Restricted funds £	2018 Total Funds £	2017 Total Funds £
<b>INCOME FROM:</b>					
Donations and legacies	3	4,747,289	462,039	5,209,328	-
Investments	5	94,015	-	94,015	-
<b>TOTAL</b>		<b>4,841,304</b>	<b>462,039</b>	<b>5,303,343</b>	<b>-</b>
<b>EXPENDITURE ON:</b>					
Raising funds	6	331,363	-	331,363	-
Charitable activities	7	4,198,403	447,648	4,646,051	-
<b>TOTAL</b>		<b>4,529,766</b>	<b>447,648</b>	<b>4,977,414</b>	<b>-</b>
<b>NET INCOME</b>		<b>311,538</b>	<b>14,391</b>	<b>325,929</b>	<b>-</b>
Transfer between funds		(106,957)	106,957	-	-
<b>NET MOVEMENT ON FUNDS</b>		<b>204,581</b>	<b>121,348</b>	<b>325,929</b>	<b>-</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		-	-	-	-
<b>Total funds carried forward</b>		<b>204,581</b>	<b>121,348</b>	<b>325,929</b>	<b>-</b>

The company has made no gains or losses other than as reported above.

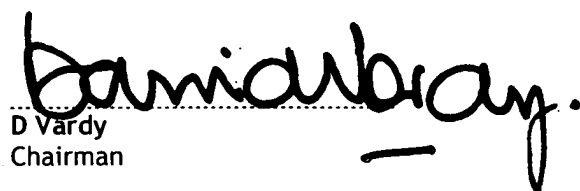
The notes on pages 22 to 42 form part of these financial statements.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**CONSOLIDATED BALANCE SHEET - 31 DECEMBER 2018**

	Note	2018 £	Combined 2017 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	12	960,575	1,008,576
<b>CURRENT ASSETS</b>			
Stock		13,737	9,902
Debtors	14	155,409	132,307
Cash at bank and in hand		138,227	214,873
		307,373	357,082
<b>CREDITORS: amounts falling due within one year</b>	15	(541,246)	(468,693)
<b>NET CURRENT LIABILITIES</b>		(233,873)	(111,611)
<b>CREDITORS: amounts falling due after more than one year</b>			
year	16	(167,972)	(201,251)
Provision for liabilities	18	(15,643)	(20,987)
<b>NET ASSETS</b>		543,087	674,727
<b>FUNDS</b>			
Unrestricted funds	21	291,490	392,155
Restricted funds	20	251,597	282,572
		543,087	674,727

The Directors have prepared group accounts in accordance with Section 44 of the Charities and Director Investment (Scotland) Act 2005.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

  
 D Vardy  
 Chairman

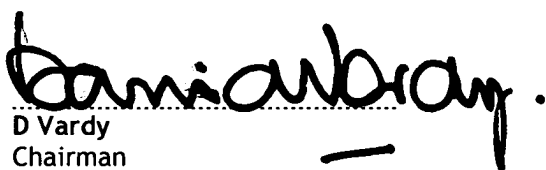
Date: 9 SEPTEMBER 2019

The notes on pages 22 to 42 form part of the financial statements.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**BALANCE SHEET - 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	12	328,502	-
Investments	13	2	-
		<u>328,504</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Debtors	14	192,483	-
Cash at bank and in hand		853	-
		<u>193,336</u>	<u>-</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(195,911)</u>	<u>-</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,575)</u>	<u>-</u>
<b>CREDITORS: amounts falling due after more than one year</b>	16	-	-
<b>NET ASSETS</b>		<u>325,929</u>	<u>-</u>
<b>FUNDS</b>			
Unrestricted funds	21	204,581	-
Restricted funds	20	121,348	-
		<u>325,929</u>	<u>-</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

  
D Vardy  
Chairman

Date: 9 SEPTEMBER 2019

The notes on pages 22 to 42 form part of the financial statements.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Note	2018 £	Combined 2017 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	19(a)	(41,897)	61,856
<b>Net cash provided by operating activities</b>		<b>(41,897)</b>	<b>61,856</b>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(59,042)	(107,364)
Proceeds from sale of tangible fixed assets		5,268	7,729
<b>Net cash used in investing activities</b>		<b>(53,774)</b>	<b>(99,635)</b>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowings		-	20,000
Repayments of borrowings		(35,199)	(29,592)
Interest paid		(12,006)	(8,081)
Hire purchase repayments		(4,000)	(667)
<b>Net cash used in financing activities</b>		<b>(51,205)</b>	<b>(18,340)</b>
<b>Decrease in cash and cash equivalents in the period</b>		<b>(146,876)</b>	<b>(56,119)</b>
Cash and cash equivalents at 31 December 2017	19(b)	85,043	141,162
Cash and cash equivalents at 31 December 2018	19(b)	(61,833)	85,043

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

*(a) Basis of financial statements preparation*

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and charity law.

*(b) Status*

Blythswood Care is a company limited by guarantee and a registered charity, Scottish Charity Number SC048001.

*(c) Going concern*

The Directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

*(d) Consolidation*

During the period Blythswood Care (charitable trust no. SC021848) entered into a Donation Agreement to transfer the operating activities and certain assets of the charity to a new Charitable Company, Blythswood Care 2017 (charity no. SC048001). The effective date of that agreement was 2 April 2018. As part of that arrangement Blythswood Care changed its name to Blythswood Care 1993 (BC1993) and the new charitable company took over the name Blythswood Care (BC).

BC1993 continues to own and lease the retail properties rented to Blythswood Trading Limited. During the period BC1993 also held title to the Deephaven property but this was transferred to BC after the year end. BC1993 also continues in existence to ensure that any legacies intended for the group can be received. BC1993 is required to donate any such legacies to BC under the Donation Agreement.

These financial statements consolidate the accounts of Blythswood Care (formerly Blythswood Care 2017), Blythswood Care 1993 (formerly Blythswood Care) and Blythswood Trading Limited. The results of the subsidiaries are consolidated on a line by line basis.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**1. ACCOUNTING POLICIES (continued)**

**(e) Income**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Grants, including capital grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Donations in kind, for which Blythswood Care accepts full responsibility for distribution, are included in donated income at its market value when it is distributed, and under expenditure on charitable activities at the same value.

Income from Gift Aid tax reclaims is recognised for any Gift Aid certificates received up to two months after the year end, in relation to donations made prior to the year end.

**(f) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category and include any irrecoverable VAT. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of commercial trading activities operated by Blythswood Trading Limited and costs associated with general fundraising activities.
- Expenditure on charitable activities includes all the costs on activities undertaken to further the purposes of the charity and their associated support costs.

**(g) Fund accounting**

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

**(h) Taxation**

Income is stated net of Value Added Tax and expenditure includes Value Added Tax where it is not recoverable.

The group's financial statements include the relevant corporation tax in respect of the subsidiary undertakings.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timings are expected to reverse.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**1. ACCOUNTING POLICIES (continued)**

**(i) Investments in subsidiaries**

Investments in subsidiaries are valued at cost less provision for impairment.

**(j) Tangible fixed assets and depreciation**

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life, as follows:

Heritable property	2-3% straight line
Tenant's improvements	25% straight line
Motor vehicles	20% to 30% reducing balance
Warehouse and office equipment	10% to 30% reducing balance

**(k) Stock**

Stocks are stated at the lower of cost and realisable value with proper provision being made for obsolete and slow moving stock. Cost comprises the invoiced price of goods and materials purchased on a first in first out basis.

**(l) Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**(m) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

**(n) Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**(o) 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.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**1. ACCOUNTING POLICIES (continued)**

**(p) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

**(q) Operating leases and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**(r) Pensions**

The charity operates a defined contribution pension scheme. The amount charged against income represents the contributions payable in respect of the accounting period.

**(s) Volunteers**

In accordance with the Charities SORP (FRS 102) general volunteer time is not recognised as income nor expense. Refer to the Director's annual report for more information of the contribution of volunteers.

**2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Useful economic life of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the useful economic lives and residual values of the assets. Useful lives and residual values are reassessed annually. They are assessed where necessary to reflect current estimates based on economic utilisation and physical condition.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)

**3. INCOME FROM DONATIONS AND LEGACIES**

	Group Combined		Charity	
	2018 £	2017 £	2018 £	2017 £
Donations - cash	1,241,895	1,296,658	1,013,400	-
Donations - gifts in kind	3,575,245	3,949,826	3,575,245	-
Legacies	201,059	92,089	163,076	-
Capital grants	72,655	7,496	-	-
Donation from Blythswood Care 1993	-	-	457,607	-
	<u>5,090,854</u>	<u>5,346,069</u>	<u>5,209,328</u>	<u>-</u>
Attributable to funds as follows:				
Unrestricted	4,643,269	4,895,719	4,747,289	-
Restricted	447,585	450,350	462,039	-
	<u>5,090,854</u>	<u>5,346,069</u>	<u>5,209,328</u>	<u>-</u>

Income from grants comprises grants made by Zero Waste Scotland to fund the further fit out of retail stores and new vehicles (capital grants) and contribute towards staff and lease costs (revenue grants).

The donation from Blythswood Care 1993 relates to the net book value of assets transferred under the Donation Agreement referred to in note 27 including the transfer of balances on restricted funds as shown in note 21.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)

**4. INCOME FROM OTHER TRADING ACTIVITIES**

The wholly owned trading subsidiary Blythswood Trading Limited is incorporated in the United Kingdom (company number SC143793) and pays all of its profits to the charity under the gift aid scheme.

Blythswood Trading Limited operates a number of charity shops. A summary of the trading results is shown below.

	2018 £	2017 £
Turnover	2,279,138	2,315,548
Cost of sales, distribution and administration costs	(2,266,853)	(2,147,125)
Other operating income	82,486	46,490
Interest payable	(933)	(932)
Taxation	(306)	1,464
Net profit	93,532	215,445
Amount gift aided to charity	(91,674)	(213,981)
Retained in subsidiary	1,858	1,464

The assets and liabilities of the subsidiary at 31 December 2018 were:

Fixed assets	261,854	293,812
Current assets	161,978	135,311
Creditors: amounts falling due within one year	(270,605)	(253,303)
Creditors: amounts falling due after one year	(7,333)	(16,609)
Deferred taxation	(15,643)	(20,987)
Deferred income	(130,249)	(140,080)
Aggregate share capital and reserves	2	(1,856)

**5. INCOME FROM INVESTMENTS**

	Group		Charity	
	2018 £	Combined 2017 £	2018 £	2017 £
Donation received from subsidiary	-	-	91,674	-
Rent	5,400	5,400	-	-
Other	2,341	-	2,341	-
	7,741	5,400	94,015	-

All income from investments was attributable to unrestricted funds.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**6. EXPENDITURE ON RAISING FUNDS**

	Group		Charity	
	2018	Combined	2018	2017
	£	£	£	£
Cost of raising funds	427,801	456,005	331,363	-

All expenditure on raising funds was attributable to unrestricted funds.

**7. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Group		Charity	
	2018	Combined	2018	2017
	£	£	£	£
<b>Costs to further charity's objects</b>				
Aid trips and transport	68	7,015	68	-
Relief aid	3,575,245	3,949,826	3,575,245	-
Romania - staff support	480	980	480	-
Pastor support - Romania and Italy	7,800	7,800	6,750	-
Christian literature and education	17,787	22,604	15,545	-
Shoebox expenses	212,852	190,169	209,217	-
Salaries	232,220	215,694	177,780	-
Special projects	536,988	577,095	447,648	-
Relief aid - women and children	1,000	1,000	1,000	-
	<u>4,584,440</u>	<u>4,972,183</u>	<u>4,433,733</u>	<u>-</u>
<b>Support costs</b>				
Staff travel and accommodation	23,730	10,773	22,673	-
Salaries	140,476	152,452	105,710	-
Other expenses	92,847	95,998	74,267	-
Bank interest payable	11,073	7,149	9,668	-
<b>Governance costs</b>				
Audit fee	18,800	16,000	-	-
	<u>286,926</u>	<u>282,372</u>	<u>212,318</u>	<u>-</u>
<b>Total</b>	<u>4,871,366</u>	<u>5,254,555</u>	<u>4,646,051</u>	<u>-</u>
<b>Attributable to funds as follows:</b>				
Unrestricted funds	4,251,892	4,677,460	4,198,403	-
Restricted funds	619,474	577,095	447,648	-
	<u>4,871,366</u>	<u>5,254,555</u>	<u>4,646,051</u>	<u>-</u>

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**8. NET MOVEMENT IN TOTAL FUNDS FOR THE PERIOD *is stated after charging:***

	Group 2018 £	Combined 2017 £
<b>Depreciation</b>		
- owned assets	93,836	93,675
- assets under hire purchase agreements	2,676	3,345
<b>Operating lease rentals</b>		
- land and buildings	251,724	253,272
- plant & machinery	18,201	-
<b>Auditor's remuneration</b>		
- Audit	18,800	16,000
- Tax compliance services	2,100	2,000
- Accounting support	5,203	-

**9. STAFF COSTS AND NUMBERS**

The average number of persons employed by the Group and Company during the period was as follows:

	Group 2018 Combined 2017		Charity 2018 2017	
Employees	122	121	122	-

	Group 2018 £ Combined 2017 £		Charity 2018 £ 2017 £	
Staff costs:				
Wages and salaries	1,682,319	1,605,002	455,848	-
Social security costs	111,054	103,440	30,092	-
Pension costs	88,609	74,038	24,010	-
	1,881,982	1,782,480	509,950	-

The number of employees who receive remuneration during the period in the following ranges were:

	2018 no	Combined 2017 no
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)

**10. DIRECTORS' REMUNERATION**

James M Campbell received remuneration totalling £71,621 under a contract of employment for his role as Chief Executive.

The other Directors neither received nor waived any remuneration during the period nor received any reimbursement of expenses (2017 - nil).

**11. KEY MANAGEMENT PERSONNEL**

Day to day management of the group is delegated to the Chief Executive, Head of Projects, Head of Operations and the Head of Finance. These four individuals together with the directors of the parent charity are key management personnel.

Key management personnel received remuneration, including employee's national insurance contributions for their service as follows:

	2018 £	2017 £
Blythswood Care	75,535	-
Blythswood Care 1993	51,698	140,171
Blythswood Trading Limited	84,261	62,507
	<u>211,494</u>	<u>202,678</u>

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**
**12. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Heritable property £</b>	<b>Tenant's improvements £</b>	<b>Motor vehicles £</b>	<b>Warehouse and office equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2018 (Combined)	1,047,950	170,940	308,277	678,653	2,205,820
Additions	-	7,702	51,340	-	59,042
Disposals	-	(10,698)	(48,300)	(53,146)	(112,144)
At 31 December 2018	1,047,950	167,944	311,317	625,507	2,152,718
<b>Depreciation</b>					
At 1 January 2018 (Combined)	347,480	155,521	224,784	469,459	1,197,244
Charge for period	31,439	13,414	31,053	20,606	96,512
Disposals	-	(10,698)	(46,454)	(44,461)	(101,613)
At 31 December 2018	378,919	158,237	209,383	445,604	1,192,143
<b>Net book value</b>					
At 31 December 2018	669,031	9,707	101,934	179,903	960,575
At 31 December 2017 (combined)	700,470	15,419	83,493	209,194	1,008,576

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**12. TANGIBLE FIXED ASSETS (continued)**

The net book value of assets, held under hire purchase contracts included above is as follows:

				Combined 2018	Combined 2017
Motor vehicles				<u>£ 10,704</u>	<u>£ 13,380</u>
Charity	Heritable property £	Tenant's improvements £	Motor vehicles £	Warehouse and office equipment £	Total £
<b>Cost</b>					
Transfer in*	454,950	-	81,674	100,441	637,065
Additions	-	-	29,080	-	29,080
Disposals	-	-	(9,500)	-	(9,500)
At 31 December 2018	<u>454,950</u>	<u>-</u>	<u>101,254</u>	<u>100,441</u>	<u>656,645</u>
<b>Depreciation</b>					
Transfer in*	145,903	-	72,192	99,380	317,475
Charge for period	10,235	-	9,394	361	19,990
Disposals	-	-	(9,322)	-	(9,322)
At 31 December 2018	<u>156,138</u>	<u>-</u>	<u>72,264</u>	<u>99,741</u>	<u>328,143</u>
<b>Net book value</b>					
At 31 December 2018	<u>298,812</u>	<u>-</u>	<u>28,990</u>	<u>700</u>	<u>328,502</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\*The net book value of certain fixed assets held by Old Blythswood (Blythswood Care 1993) at 31 March 2018 were transferred to New Blythswood (Blythswood Care) under the Donation Agreement referred to in note 27.

The heritable property transferred from Old Blythswood is held on trust for New Blythswood by Old Blythswood.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)

**13. FIXED ASSET INVESTMENTS**

	<b>Group</b>		<b>Charity</b>	
	2018	Combined 2017	2018	2017
	£	£	£	£
Investment in subsidiary undertaking	-	-	2	-

Details of the investments in subsidiary undertakings held by Blythswood Care are as follows:

<i>Subsidiary</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Blythswood Trading Limited	Ordinary shares	100%	Charity shops and recycling

Ownership of the shareholdings in Blythswood Trading Limited was transferred from Blythswood Care 1993 (formerly Blythswood Care) to Blythswood Care (formerly Blythswood Care 2017) during the period ended 31 December 2018.

The activities and results of this company are summarised in note 4.

**14. DEBTORS**

	<b>Group</b>		<b>Charity</b>	
	2018	Combined 2017	2018	2017
	£	£	£	£
Trade debtors	63,993	65,642	-	-
Other debtors	71,395	38,412	13,312	-
VAT	20,021	28,253	5,250	-
Amounts due from group undertakings	-	-	173,921	-
	<u>155,409</u>	<u>132,307</u>	<u>192,483</u>	<u>-</u>

The amounts due to the group undertakings are interest free and repayable on demand.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**15. CREDITORS: amounts falling due within one year**

	Group Combined		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdraft	230,308	165,998	-	-
Trade creditors	233,186	234,877	139,731	-
Taxation and social security	26,207	27,605	26,207	-
Other creditors	47,545	36,213	29,973	-
Obligations under hire purchase contracts	4,000	4,000	-	-
	<u>541,246</u>	<u>468,693</u>	<u>195,911</u>	<u>-</u>

**16. CREDITORS: amounts falling due after more than one year**

	Group Combined		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	160,639	189,918	-	-
Obligations under hire purchase contracts	7,333	11,333	-	-
	<u>167,972</u>	<u>201,251</u>	<u>-</u>	<u>-</u>

The bank loans and overdraft are secured by a Standard Security over the Blythswood Depot, Deephaven and the properties in Invergordon, Blairgowrie, Keith and Elgin and by a Bond and Floating Charge over the assets of Blythswood Trading Limited.

**17. FINANCIAL INSTRUMENTS**

	Group Combined		Charity	
	2018	2017	2018	2017
	£	£	£	£
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>683,011</u>	<u>642,339</u>	<u>169,704</u>	<u>-</u>
<b>Financial assets</b>				
Financial assets measured at amortised cost	<u>273,615</u>	<u>318,927</u>	<u>188,086</u>	<u>-</u>

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**18. PROVISION FOR LIABILITIES**

	Group 2018 £	Combined 2017 £
<b>Deferred taxation</b>		
At 1 January 2018	20,987	22,451
Release for the period	(5,344)	(1,464)
At 31 December 2018	<u>15,643</u>	<u>20,987</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>15,643</u>	<u>20,987</u>

**19. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of net outgoing resources to net cash (outflow)/inflow from operating activities**

	Group 2018 £	Combined 2017 £
Net outgoing resources	(131,640)	(105,636)
Interest paid	12,006	8,081
Loss on sale of fixed assets	5,263	5,344
Depreciation	96,512	97,020
Increase in stock	(3,835)	(1,332)
Increase in debtors	(23,102)	(37,964)
Increase in creditors	2,593	97,807
Taxation - charge in subsidiary's accounts	306	(1,464)
Net cash (outflow)/inflow from operating activities	<u>(41,897)</u>	<u>61,856</u>

**(b) Cash and cash equivalents**

	Group 2018 £	Combined 2017 £
Cash at bank and in hand	138,227	214,873
Overdraft	(200,060)	(129,830)
	<u>(61,833)</u>	<u>85,043</u>

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**
**20. TOTAL FUNDS**

	At 1 January 2018 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2018 £
<i>(a) Current year</i>					
<b>Group</b>					
Unrestricted	392,155	6,930,148	(6,889,899)	(140,914)	291,490
Restricted (note 21)	282,572	447,585	(619,474)	140,914	251,597
<b>Total funds 2018</b>	<b>674,727</b>	<b>7,377,733</b>	<b>(7,509,373)</b>	<b>-</b>	<b>543,087</b>
<b>Charity</b>					
Unrestricted	-	4,841,304	(4,529,766)	(106,957)	204,581
Restricted (note 21)	-	462,039	(447,648)	106,957	121,348
<b>Total funds 2018</b>	<b>-</b>	<b>5,303,343</b>	<b>(4,977,414)</b>	<b>-</b>	<b>325,929</b>
<i>(b) Prior year</i>					
<b>Group</b>					
Unrestricted	451,167	7,216,667	(7,149,068)	(126,611)	392,155
Restricted (note 21)	329,196	450,350	(623,585)	126,611	282,572
<b>Total funds 2017 (combined)</b>	<b>780,363</b>	<b>7,667,017</b>	<b>(7,772,653)</b>	<b>-</b>	<b>674,727</b>
<b>Charity</b>					
Unrestricted	-	-	-	-	-
Restricted (note 21)	-	-	-	-	-
<b>Total funds 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Funds are transferred from general funds to restricted funds to make up shortfalls in funding. Also a small management charge (5%) is sometimes applied to restricted funds where appropriate.

**Transfers from BC93**

The restricted funds at 31 March 2018 were transferred from Old Blythswood (Blythswood Care 1993) to New Blythswood (Blythswood Care) under the Donation Agreement referred to in note 27. This transfer forms part of the donation income received in the period.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**21. RESTRICTED FUNDS**

	At 1 January 2018 (Combined) £	Income £	Expenditure £	Transfers between funds £	At 31 December 2018 £
<i>(a) Current year Group</i>					
<i>Restricted funds</i>					
Africa	6,386	44,220	(58,884)	9,322	1,044
Bulgaria	-	4,200	(5,205)	1,005	-
India	21,819	48,901	(51,059)	(3,717)	15,944
Moldova	-	3,128	(30,974)	27,846	-
Pakistan	-	46,703	(45,921)	7,428	8,210
Philippines	-	2,175	(1,702)	(58)	415
Serbia	-	19,620	(28,286)	8,666	-
Romania	21,427	85,898	(189,950)	89,849	7,224
<b>Total</b>	<b>49,632</b>	<b>254,845</b>	<b>(411,981)</b>	<b>140,341</b>	<b>32,837</b>
<b>Disaster and General UK Projects</b>	<b>92,860</b>	<b>54,232</b>	<b>(52,084)</b>	<b>(19,267)</b>	<b>75,741</b>
	-	65,853	(72,923)	19,840	12,770
<b>Blythswood Care &amp; Blythswood Care 1993</b>	<b>142,492</b>	<b>374,930</b>	<b>(536,988)</b>	<b>140,914</b>	<b>121,348</b>
<b>Blythswood Trading</b>	<b>140,080</b>	<b>72,655</b>	<b>(82,486)</b>	-	<b>130,249</b>
<b>Group restricted funds total</b>	<b>282,572</b>	<b>447,585</b>	<b>(619,474)</b>	<b>140,914</b>	<b>251,597</b>

Blythswood Trading Limited's restricted funds relate to capital based government grants received by the subsidiary for the purchase of fixed assets.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**21. RESTRICTED FUNDS (continued)**

	At 1 January 2018 (Combined) £	Income £	Expenditure £	Transfers between funds £	Transfers from BC93 £	At 31 December 2018 £
<b>Charity</b>						
<b>Restricted funds</b>						
Africa	-	38,378	(48,029)	4,110	6,585	1,044
Bulgaria	-	3,150	(5,205)	1,046	1,009	-
India	-	30,967	(37,967)	(4,288)	27,232	15,944
Moldova	-	3,128	(28,468)	25,340	-	-
Pakistan	-	45,938	(45,921)	7,461	732	8,210
Philippines	-	1,725	(1,137)	(173)	-	415
Serbia	-	13,905	(24,879)	8,889	2,085	-
Romania	-	75,050	(159,882)	75,479	16,577	7,224
<b>Total</b>	-	212,241	(351,488)	117,864	54,220	32,837
<b>Disaster and General</b>						
<b>UK Projects</b>	-	44,849	(38,671)	(31,564)	101,127	75,741
	-	36,423	(57,490)	20,658	13,179	12,770
<b>Total current year</b>	-	293,513	(447,649)	106,958	168,526	121,348
<b>Prior year</b>	-	-	-	-	-	-

**Transfers from BC93**

The restricted funds at 31 March 2018 were transferred from Old Blythswood (Blythswood Care 1993) to New Blythswood (Blythswood Care) under the Donation Agreement referred to in note 27. This transfer forms part of the donation income received in the period.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**

**21. RESTRICTED FUNDS (continued)**

	At 1 January 2017 (Combined) £	Income £	Expenditure £	Transfers between funds £	At 31 December 2017 £
<i>(b) Prior year</i>					
<b>Group (combined)</b>					
<i>Restricted funds</i>					
Africa	8,885	43,117	(67,572)	21,956	6,386
Bulgaria	-	23,370	(28,710)	5,340	-
Albania	-	550	(7,684)	7,134	-
India	4,362	65,590	(63,234)	15,101	21,819
Moldova	-	11,110	(30,277)	19,167	-
Pakistan	-	23,638	(41,402)	17,764	-
Philippines	-	2,625	(2,567)	(58)	-
Serbia	-	8,820	(28,230)	19,410	-
Hungary	10	-	-	(10)	-
Romania	15,479	94,761	(176,346)	87,533	21,427
<b>Total</b>	<b>28,736</b>	<b>273,581</b>	<b>(446,022)</b>	<b>193,337</b>	<b>49,632</b>
<b>Disaster and General</b>	<b>121,136</b>	<b>94,142</b>	<b>(65,098)</b>	<b>(57,320)</b>	<b>92,860</b>
<b>UK Projects</b>	<b>250</b>	<b>75,131</b>	<b>(65,975)</b>	<b>(9,406)</b>	<b>-</b>
<b>Blythswood Care 1993</b>	<b>150,122</b>	<b>442,854</b>	<b>(577,095)</b>	<b>126,611</b>	<b>142,492</b>
<b>Blythswood Trading</b>	<b>179,074</b>	<b>7,496</b>	<b>(46,490)</b>	<b>-</b>	<b>140,080</b>
<b>Group restricted funds total</b>	<b>329,196</b>	<b>450,350</b>	<b>(623,585)</b>	<b>126,611</b>	<b>282,572</b>

Blythswood Trading Limited's restricted funds relate to capital based government grants received by the subsidiary for the purchase of fixed assets.

**22. FUNDS**

<i>Name of Fund</i>	<i>Description, nature and purposes of the fund</i>
General Fund	The Charity's own reserves
Disaster and general	The purpose of this fund is to support disasters and crisis around the world where appropriate to do so and general funds are used to compliment other restricted funds where there may be a shortfall.
UK Projects	The purpose of this fund is to support projects like the Highland Foodbank and other partners undertaking projects within the UK.

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**
**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>Group</b>	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total Funds 2018 £</b>
<i>(a) Current year</i>			
Tangible fixed assets	830,326	130,249	960,575
Current assets	186,025	121,348	307,373
Creditors: <i>due within one year</i>	(541,246)	-	(541,246)
Creditors: <i>due after more than one year</i>	(167,972)	-	(167,972)
Provisions for liabilities	(15,643)	-	(15,643)
	<u>291,490</u>	<u>251,597</u>	<u>543,087</u>
<i>(b) Prior year</i>			
Tangible fixed assets	868,496	140,080	1,008,576
Current assets	214,590	142,492	357,082
Creditors: <i>due within one year</i>	(468,693)	-	(468,693)
Creditors: <i>due after more than one year</i>	(201,251)	-	(201,251)
Provisions for liabilities	(20,987)	-	(20,987)
	<u>392,155</u>	<u>282,572</u>	<u>674,727</u>
	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Total Funds 2018 £</b>
<b>Charity</b>			
<i>(a) Current year</i>			
Tangible fixed assets	328,502	-	328,502
Investments	2	-	2
Current assets	71,988	121,348	193,336
Creditors: <i>due within one year</i>	(195,911)	-	(195,911)
Creditors: <i>due after more than one year</i>	-	-	-
Provisions for liabilities	-	-	-
	<u>204,581</u>	<u>121,348</u>	<u>325,929</u>
<i>(b) Prior year</i>			
Tangible fixed assets	-	-	-
Current assets	-	-	-
Creditors: <i>due within one year</i>	-	-	-
Creditors: <i>due after more than one year</i>	-	-	-
Provisions for liabilities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)**
**24. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2018 the group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2018 £	Combined 2017 £
Not later than 1 year	99,490	69,226
Later than 1 year and not later than 5 years	141,779	-
	<u>241,269</u>	<u>69,226</u>

**25. PENSION COMMITMENTS**

The charity contributes to employees' personal pension plans. The pension cost charge represents contributions payable by the charity to the fund and amounted to £88,609 (2017 (combined) - £74,038). Contributions totalling £7,545 (2017 (combined) - £8,062) were payable at the balance sheet date.

**26. RELATED PARTY TRANSACTIONS**

Throughout the period the Group was controlled by the Board of Directors.

The charity has taken advantage of the exemption contained in Financial Reporting Standard 102 from disclosing transactions with parties wholly owned within the same group.

During the period the group had the following arm's length transactions with related parties:

	Transaction £	Balance outstanding £
<b>ASC Blythswood, Romania</b> An entity of which J M Campbell is a director		
Unsecured, interest free loan to ASC Blythswood Romania	-	1,500
Donations to ASC Blythswood Romania		
From Blythswood Care 1993	27,809	-
From Blythswood Care	90,512	-
<b>Blythswood SRL Romania</b> An entity of which J M Campbell is a director		
Unsecured, interest free loan to Blythswood SRL Romania	-	22,481
Provision against this balance	-	(22,481)

**BLYTHSWOOD CARE (FORMERLY BLYTHSWOOD CARE 2017)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - 31 DECEMBER 2018 (continued)

**27. REORGANISATION**

During the period Blythswood Care (charitable trust no. SC021848) entered into a Donation Agreement to transfer the operating activities and certain assets of the charity to a new Charitable Company, Blythswood Care 2017 (charity no. SC048001). The effective date of that agreement was 2 April 2018. As part of that arrangement Blythswood Care changed its name to Blythswood Care 1993 (BC1993) and the new charitable company took over the name Blythswood Care (BC).

BC1993 continues to own and lease the retail properties rented to Blythswood Trading Limited. During the period BC1993 also held title to the Deephaven property but this was transferred to BC after the year end. BC1993 also continues in existence to ensure that any legacies intended for the group can be received. BC1993 is required to donate any such legacies to BC under the Donation Agreement.

The directors consider that there has been no change to the operating activities of this group by the reorganisation and the group accounts should be prepared using merger accounting, and presented within the financial statements of Blythswood Care.

Accordingly, the Directors have concluded that the financial statements give a true and fair view of the Blythswood Care's financial position, financial performance and cash flows; that the company has complied with FRS102 and applicable legislation.

The FRS and Company legislation require that the reorganisation be accounted for as an acquisition at fair value by Blythswood Care of certain assets of Blythswood Care 1993. The group accounts prepared by Blythswood Care, as the new parent entity, would not reflect the prior period group accounts. This would be misleading to the users of the accounts who consider there to be no change in the group operations.