
BLYTHSWOOD CARE

(Company Number: SC583493)
(Charity Number: SC048001)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

(a company limited by guarantee and not having a share capital)
31 DECEMBER 2022

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BLYTHSWOOD CARE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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BLYTHSWOOD CARE
LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS

J M Campbell
I Gillies (Resigned August 2022)
C Gordon
L Gray
D K Laing (Chairman)
R J McCallum (Appointed March 2022)
P L Lyall
J E Ross

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

AUDITOR

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 TRUSTEES' ANNUAL REPORT

The Trustees present their report and the group's financial statements for the year ended 31 December 2022. The group comprises Blythswood Care, its subsidiaries Blythswood Ireland Limited, Blythswood Trading Limited, and its predecessor charity Blythswood Care 1993.

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 long to see people of all ages come to living faith in the Lord Jesus Christ and to see God **transforming lives through Christian care**.

On this journey, our activities:

- Focus on the educational, practical and spiritual needs of the most vulnerable people;
- Are managed by capable local leadership;
- Are grounded in a solid financial base with the aim of achieving self-sustainability.

Vision, Values and Mission:

Our Vision

To see lives transformed through Christian care.

Our Values

- We aim to serve the physical, emotional and spiritual needs of others with integrity and compassion, at home and abroad.
- We strive for excellence in all that we do, giving opportunity to people with different levels of ability and treating each individual with respect, regardless of background or belief.
- We value our people, both staff and volunteers, and believe that they deserve an equitable and motivating working environment which expresses care for people.
- We are committed to care responsibly for God's creation and to aim for sustainability in the projects we initiate and develop.

Our Mission

To see lives transformed through the impact of **educational** opportunity, **community** action and **gospel** teaching.

- **Education** projects offer opportunities for children and young people (and particularly the disadvantaged) to realise their potential.
- **Community** action provides people of all ages with sustainable and transformational life-changing opportunities, especially in areas of deprivation.
- Christian ministry and literature distribution enables effective sharing of the life-changing **gospel** message of Jesus Christ, bringing hope and purpose to those we serve.

**BLYTHSWOOD CARE
TRUSTEES' ANNUAL REPORT**

2022 highlights and achievements

Story from Talita Kum - ROMANIA

Working through childhood trauma at Talita Kum

When Vlad joined Blythswood's after-school programme a year ago he demanded a lot of attention. The 11-year-old and his mother had just moved to Jimbolia from another village in western Romania and he was suffering unresolved emotional distress from learning that his father had died.

"His parents separated when Vlad was very young," explains Carmen Popa, teacher at Talita Kum. His father's death from liver failure was a huge blow to Vlad. He was unable to go to the funeral because it was too far away and sometimes he imagines that his dad may still be alive."

In spite of this inner turmoil, Vlad has fitted in well to the Talita Kum programme. "Vlad is very bright and we encourage him to tackle difficult puzzles which he is good at," Carmen says. "He enjoys reading but is easily distracted. His handwriting is not good but every day we make sure that he completes the lessons which he did not finish at school."

His mother is on a low wage as an unqualified factory worker, and she is unable to help Vlad with homework. For children in such a situation, the care, nutrition and one-to-one tuition offered by Blythswood's after-school programme is essential if they are to fulfil their potential.



Story from our Foodbank - UK

Foodbank support helps family shattered by grief

Julie* was shattered when she lost one of her children to cancer a year ago. Trying to pick up the pieces of her life she decided to move back to the Highlands where she had been as a child and to make a fresh start there with her teenage daughter.

But having used her savings to make the move, by the end of the year Julie was struggling to cover the basic costs of food as well as fuel in their homeless accommodation. The week before Christmas, mother and daughter were referred to Highland Foodbank by Highland Council.

"We were able to help Julie with emergency food, toiletries and some household cleaning items." Says Lorna Dempster, manager of Blythswood's Highland Foodbank. "We also included an adult colouring book and some colouring pencils. "The referring agent got back in touch to say that Julie and her daughter were so grateful for the food, but also to say that the girl was really touched by the colouring book and pencils which were the only Christmas gift she received."

*not her real name



**BLYTHSWOOD CARE
TRUSTEES' ANNUAL REPORT**

Story from Cornerstone Trust - INDIA

Aanya wants a better future for her girls

When Aanya* was 12 years old and had lost both parents, an uncle sold her into the sex trade in Mumbai for 10,000 rupees.

Twenty two years later she is still there and her number one priority is to make sure that none of her three daughters ends up in the same profession. For this reason she has sent the eldest, who is now 14, back to her own home village. Aanya must pay her relatives to look after the girl and to do so she continues to earn money the only way she ever knew.

The younger girls, aged 11 and 5, remain with their mother in the red-light district. Each day they go to school and then to Cornerstone, a Christian ministry supported by Blythswood Care to bring the gospel to women and children in this sector of India's biggest city.

There they receive a healthy cooked meal, extra tuition with their lessons, and a training in life skills and social awareness designed to keep them safe in the dangerous environment in which they are growing up.

"Aanya knows the dangers of this area and would like to take her girls back to the village," says Asmita Vadavana who runs Cornerstone. "But she has nowhere to stay. None of her relatives will take her in because she has been working in the sex trade. She is trying to save money to get a house of her own.



"With your support we can make sure that families stay together, that the children have access to better opportunities and that they can grow up in a safe and healthy environment."

*not her real name

Ukraine Emergency Appeal

Generous public support for our Ukraine Emergency Appeal enabled Blythswood to help families displaced by the war within Ukraine, and also those who sought refuge in neighbouring countries. The experience of Larissa's family in Irpin, and of Sasha's family as they transited Moldova were published in the December 2022 issue of Blythswood News.



God opened your hearts

A mother who cares for a son with cerebral palsy is able to face the winter with glass in her windows once again – all thanks to the gifts of Blythswood supporters which paid to repair the damage done to her home by the Russian bombardment of Irpin, Ukraine.

Larissa was reduced to cooking for her family outside over an open fire in March. She and her two sons had no opportunity to be evacuated, and were trapped in the besieged town with no gas, water or electricity.

BLYTHSWOOD CARE TRUSTEES' ANNUAL REPORT

"It was extremely scary for them," reports Tanya Shpyunova from Go Serve who identified the family as being especially vulnerable and arranged for their assistance. "Shells were constantly flying over their heads and the explosions were never-ending. Several shells fell right in their backyard and caused a lot of damage. Their windows were broken and their door blown out."

Larissa says, "We believe that we survived all this because God is with us. He answered our prayers. We thank God that he opened the hearts of so many people around the world. With your help we were able to restore all the broken windows in our house."

"We really appreciate everything you do for us, especially as winter is just around the corner. I truly believe that God will repay one hundred-fold for all your help."

Traumatic journey for family fleeing to Moldova

The decision to flee from home in time of war is always traumatic, but especially so when one of the family suffers from disability. With their 11-year-old daughter Polina in a wheelchair, it was only at the last minute that Sasha and Nastia decided to evacuate their family from Kherson. By that time Russian soldiers were already in the city.

They bundled their children into the car and set off for the Moldovan border, but were stopped by the Russians and had their car taken away.



"It was an incredibly frightening experience for them," says Pastor Dumitru Sevastian who has been assisting Ukrainian refugees at Bethany Baptist Church in Chisinau since the end of February. "Some people took pity on them and helped them to reach the border with their children and all their things."

"Since Nastia's parents had already passed through Bethany, they called us and we were able to give them all the help and support they needed – food, accommodation and counselling. They are very grateful for this expression of love and care for them and want to thank you for your support."

The family are moving on to Germany, to be with Nastia's parents.

Eastern Europe

Aid Relief

In all, 238 tonnes of aid were 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.

Shoe Box Appeal



This aid included 88,816 Christmas shoeboxes, all of which were sent out before the end of the year.

Since it began in 1993, the Shoe Box Appeal has delivered 2,655,117 boxes.

The Basis Project

The Basis project (distribution of food packages to families in need) continued with precautionary measures, and we are trying to reduce personal contact as much as possible for safety reasons, many of the beneficiaries being elderly people or people with health problems. The Basis project is still helping 30 families in a 50-kilometre radius from Cluj city.

BLYTHSWOOD CARE TRUSTEES' ANNUAL REPORT

UK projects

Crisis Intervention

The Highland Foodbank has continued to help people in crisis, distributing 60 tonnes of food from donations of food gifted in 2022 by providing a three-day food supply to 5,616 people, preventing them from going hungry during personal financial crises.

People utilise foodbanks for a variety of reasons, the most common being benefit delays, low income and benefit changes. Apart from the Foodbank in Inverness, rural foodbanks have been supported in Alness, Dingwall, Tain and Nairn throughout 2022.

Edinburgh Southeast Foodbank also distributed food to 2,915 clients.

Christian literature and ministry

The children's book for shoeboxes in 2022 was Samson – The Strong Man's Strength. It was the thirteenth title from CFP's Bible Wise series to be produced in Eastern European languages since 2008. Our shoebox distributor in Kyiv felt that so much fighting in Samson's story made it inappropriate for Ukrainian children in 2022, so for them we reprinted Jesus the Promised Child, previously used in 2017.

Saved, the testimony booklet of Oana Ciucure, was produced for teens' boxes in all six languages, and Words of Life Calendars were purchased for the adults boxes.

One of the secondary benefits of the Shoe Box Appeal is that it makes books of real educational value available in languages such as Albanian and Bulgarian. A literacy programme sponsored by Blythswood utilised Bible Wise series titles produced in Bulgarian for the Shoe Box Appeal in previous years. Run by our partners, Mission Possible Bulgaria concluded in June, having benefited 230 children in 12 groups at eight locations.

The revival of the cruise industry resulted in increased traffic at the Seafarers' Centre in Invergordon. While we count the Centre as just one grantee, in reality from there the gospel is going all around the world. It was our privilege to continue to support this gospel outreach on our own doorstep by providing nearly £4,000 worth of Bibles and New Testaments in 22 languages.

Apart from shoebox material, our largest grants of Christian literature were of Ukrainian gospels to partners assisting displaced people and refugees in Ukraine and Romania. Three thousand copies of Luke were supplied to each of three partners in May. A further 10,000 of John were supplied in June to the Elpis Foundation which has been carrying out gospel outreach in Ukraine over several years. Later in the year we took delivery of 20,000 Ukrainian NTs, some of which were inserted as an extra item in shoeboxes for Ukraine.

We took the opportunity presented to us by citybibles.com to add a 1,000-copy run-on to their purchase of Ukrainian Bible story colouring books. These were sent direct from the Netherlands to Elpis Foundation in Romania. Sorina Pop observed how important it is for refugee children to learn in their own language. Elpis supplied some of the books to centres for refugee children in Timisoara and Bistrita as well as taking most of them over the border to Chernivtsi, Ukraine. Sorina said: "The books were received with great joy."

In all, 106 grants were made to 39 grantees in ten countries. This included over 23,000 gospel tracts.

In 2022 Blythswood supported the ministries of nine pastors and mission workers in Central and Eastern Europe and three pastors in Asia.

BLYTHSWOOD CARE TRUSTEES' ANNUAL REPORT

Trading and Recycling

In 2022 Blythswood Trading Limited ("BTL") collected, processed and sold many items generously donated to us in our 19 Scottish charity shops and into other end markets, where the main items sold were clothes, shoes, furniture, bric-a-brac, media, toys and books.

Blythswood's end-to-end capability (retail, recycling, humanitarian aid and logistical expertise) makes the organisation highly effective in the stewardship of these donations. This creates many employment and volunteering opportunities for people with various skill levels and backgrounds, including those with learning difficulties.

BTL's turnover for 2022 was £2.429 M. Over 2,000 tonnes of donated goods were reused and recycled by BTL.

BIL's turnover for 2022 was £1.073M through our 8 Northern Ireland charity shops.

Blythswood is a member of Circular Communities Scotland (CCS) and the Charity Retail Association (CRA)

Volunteers

People of all ages find an opportunity to volunteer their time and skills for the work of the group. We have over 1,000 volunteers around Great Britain and Northern Ireland – 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.

Over 30,000 hours were generously given by these volunteers in 2022 which have a value of more than £310,000 (based on the National Living Wage).

Appreciation

The Trustees take this opportunity to express their gratitude publicly to our dedicated staff and volunteers and our many prayer and financial supporters for their commitment and passion to see the work of Blythswood Care continue and develop. Despite all the challenges and uncertainties around us, we praise God for going before us and providing the resources needed to maintain our work in His service.

For the word of the Lord is right and true; he is faithful in all he does. Psalm 33:4

Results

The financial statements show net incoming resources of £231,877 (2021 – net incoming resources of £595,517)

Donation income was £6,552,275 (2021 - £6,197,166) with £4,115,742 (2021 - £4,598,243) being donations in kind. BTL made donations of £47,814 (2021 - £322,724) to the parent charity.

BLYTHSWOOD CARE TRUSTEES' ANNUAL REPORT

Trustees

The trustees who served during the year and to the date of this report were as follows:

J M Campbell (Chief Executive)
I Gillies (Resigned August 2022)
C Gordon
L Gray
D K Laing (Chairman)
P Lyall
J Ross
R McCallum (Appointed on 16 March 2022)

On 16 March 2022 we welcomed Richard McCallum as a new trustee of Blythswood Care. Richard is a senior finance director in the public sector.

On 25 August 2022 Iain Gillies stepped down from our Board after 17 years' service as a trustee (during which time he served as chairman for a period). Iain provided invaluable service to the charity during times of change and we benefited greatly from his wisdom and professional expertise. We thank Iain and Christine for this contribution.

Appointment of New Trustees

The 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. Prospective 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 are guarantors of the charitable company under the Articles of Association. That power is exercised by special resolution.

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 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 our governance rules.

Organisational structure

Blythswood Care is a company limited by guarantee, which is registered as a Scottish Charity. The charity previously operated under a trust deed (and that entity continues to exist under the name Blythswood Care 1993).

Blythswood Care 1993 is an unincorporated charity that continues to hold legal title to some of the retail properties which are operated through Blythswood Trading Limited ("BTL") and acts as the prospective recipient of any legacies for the benefit of Blythswood Care.

BTL is a wholly owned subsidiary of Blythswood Care.

Blythswood Care is the sole member of Blythswood Ireland Ltd. ("BIL"), a company limited by guarantee and a charity registered in Northern Ireland, which works in partnership with Blythswood Care. As the sole member of BIL, Blythswood Care has consolidated the results of BIL since 01 January 2021.

Related Parties

The Trustees all gave of their time and expertise without any form of remuneration or other benefits in cash or kind. Expenses paid to trustees during the year 2022 amounted to £nil (2021: £nil). During the year 2022, six trustees donated £960 to the charity's general funds. (2021: six trustees donated £3,250)

BLYTHSWOOD CARE TRUSTEES' ANNUAL REPORT

Future Plans

The demands upon the charity increase both in the UK and overseas. The Foodbanks 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 Blythswood's charitable activities at home and abroad.

The Talita Kum Project in Jimbolia, South-East Romania, plans to extend throughout 2023 providing additional support for youngsters' further education and vocational training. The Beacon Centre, which opened in December 2022 has the potential to develop the work of the Turbe after-school programme in Navi Mumbai through their culinary and sports training, toddlers' groups, garden club and career guidance.

We continue to work through trusted partners and regularly evaluate projects with the aim of leading them towards self-sufficiency and self-sustainability.

Our response to the crisis in Ukraine continues as funding and practical aid, in the form of emergency equipment and specialised aid becomes available.

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 cover the working capital and ongoing charitable activities of the charity.

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 the likelihood of occurrence, and identifying means of mitigating the risks. This process is monitored by the Board quarterly and reviewed at least annually.

This work has identified that financial sustainability is the major financial risk for both the charity and its 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 organisation's 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' quarterly.

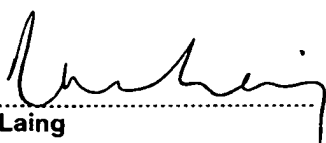
BLYTHSWOOD CARE
TRUSTEES' ANNUAL REPORT

Post Balance Sheet Events

The directors consider that there has been no change to the operating activities of the group during 2022.

Accordingly, the Directors have concluded that the financial statements give an accurate and fair view of Blythswood Care's financial position, financial performance and cash flows; that the company has complied with FRS10.

On 19 June 2023 we were pleased to announce the appointment of one of our trustees, Jeremy Ross, as Chief Executive Designate who will take over from James Campbell when he retires from that position on 31 January 2024.


.....
D K Laing
Chairman

Date: 16/08/2023

BLYTHSWOOD CARE

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

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF BLYTHSWOOD CARE

OPINION

We have audited the financial statements of Blythswood Care (the 'charity') for the year ended 31 December 2022 set out on pages 15 to 40. 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

BLYTHSWOOD CARE

INDEPENDENT AUDITOR'S 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 Auditor's 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.

AUDITOR'S 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 Auditor's 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.

BLYTHSWOOD CARE

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF BLYTHSWOOD CARE (continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities and incentives that may exist within the charity and its group for fraud and identified the greatest potential for fraud to be income recognition and posting of unusual journal entries. Audit procedures performed to address these risks included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Testing of management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Identifying and testing journal entries; and
- Testing a sample of income transactions to source documentation.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our Auditors' report.



Andrew Shaw (Senior statutory auditor)

for and on behalf of Anderson Anderson & Brown Audit LLP

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: 16 August 2023

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

BLYTHSWOOD CARE**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	Unrestricted funds £	Restricted funds £	2022 Total Funds £	2021 Total Funds £
INCOME FROM:					
Donations and legacies	3	5,478,530	1,473,671	6,952,201	6,675,002
Commercial trading operations	4	3,445,509	-	3,445,509	2,428,543
Other operating income		9,678	-	9,678	1,007,690
Investments	5	1,248	-	1,248	235
Gain on acquisition of subsidiary					
TOTAL		8,934,965	1,473,671	10,408,636	10,111,470
EXPENDITURE ON:					
Raising funds	6	415,970	4,985	420,955	431,707
Commercial trading operations		3,153,320	-	3,153,320	2,872,757
Charitable activities	7	5,135,640	1,466,844	6,602,484	6,211,489
TOTAL		8,704,930	1,471,829	10,176,759	9,515,953
NET INCOME/(EXPENDITURE)		230,035	1,842	231,877	595,517
Transfer between funds		(55,794)	55,794	-	-
NET MOVEMENT ON FUNDS		174,241	57,636	231,877	595,517
RECONCILIATION OF FUNDS					
Total funds brought forward	18	2,047,669	236,628	2,284,297	1,688,780
Total funds carried forward	18	2,221,910	294,264	2,516,174	2,284,297

All income and expenditure derive from continuing operations.

The notes on pages 21 to 41 form part of these financial statements.

BLYTHSWOOD CARE**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Note	Unrestricted funds £	Restricted funds £	2022 Total Funds £	2021 Total Funds £
INCOME FROM:					
Donations and legacies	3	5,495,008	1,430,539	6,925,547	6,971,099
Investments	5	384	-	384	44
TOTAL		5,495,392	1,430,539	6,925,931	6,971,143
EXPENDITURE ON:					
Raising funds	6	410,118	-	410,118	420,007
Charitable activities	7	5,015,919	1,423,712	6,439,631	6,119,200
TOTAL		5,426,037	1,423,712	6,849,749	6,539,207
NET INCOME/(EXPENDITURE)		69,355	6,827	76,182	431,936
Transfer between funds		(74,402)	74,402	-	-
NET MOVEMENT ON FUNDS		(5,047)	81,229	76,182	431,936
RECONCILIATION OF FUNDS					
Total funds brought forward	18	1,219,573	181,023	1,400,596	968,660
Total funds carried forward	18	1,214,526	262,252	1,476,778	1,400,596

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

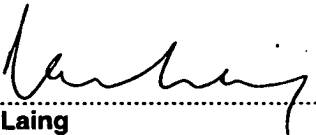
The notes on pages 20 to 40 form part of these financial statements.

BLYTHSWOOD CARE
CONSOLIDATED BALANCE SHEET – 31 DECEMBER 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	12	1,590,711	1,610,511
Investments	13	-	-
		<u>1,590,711</u>	<u>1,610,511</u>
CURRENT ASSETS			
Stock		14,533	12,299
Debtors	14	122,612	169,309
Cash at bank and in hand		1,486,710	1,240,764
		<u>1,623,855</u>	<u>1,422,372</u>
CREDITORS: amounts falling due within one year	15	<u>(369,019)</u>	<u>(319,829)</u>
NET CURRENT ASSETS		<u>1,254,836</u>	<u>1,102,543</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,845,547	2,713,054
CREDITORS: amounts falling due after more than one year			
Provision for liabilities	16 18	(275,813) (53,560)	(381,049) (47,708)
NET ASSETS		<u>2,516,174</u>	<u>2,284,297</u>
FUNDS			
Unrestricted funds	20	2,221,910	2,047,669
Restricted funds	20	294,264	236,628
		<u>2,516,174</u>	<u>2,284,297</u>

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 K Laing
Chairman

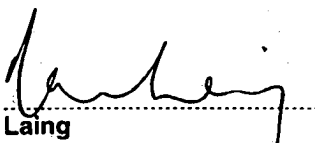
Date: 16/08/2023

The notes on pages 20 to 40 form part of the financial statements.

BLYTHSWOOD CARE
BALANCE SHEET – 31 DECEMBER 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	12	595,095	650,066
Investments	13	2	2
		<u>595,097</u>	<u>650,068</u>
CURRENT ASSETS			
Stock		-	-
Debtors	14	269,999	303,204
Cash at bank and in hand		958,786	786,266
		<u>1,228,785</u>	<u>1,089,470</u>
CREDITORS: <i>amounts falling due within one year</i>	15	<u>(162,652)</u>	<u>(117,593)</u>
NET CURRENT ASSETS		<u>1,066,133</u>	<u>971,877</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,661,230	1,621,945
CREDITORS: <i>amounts falling due after more than one year</i>	16	<u>(184,452)</u>	<u>(221,349)</u>
NET ASSETS		<u>1,476,778</u>	<u>1,400,596</u>
FUNDS			
Unrestricted funds	20	1,214,526	1,219,573
Restricted funds	20	262,252	181,023
		<u>1,476,778</u>	<u>1,400,596</u>

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


D K Laing
Chairman

Date: 16/08/2023

The notes on pages 20 to 40 form part of the financial statements.

BLYTHSWOOD CARE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	19(a)	429,799	657,050
Net cash provided by operating activities		<u>429,799</u>	<u>657,050</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(117,389)	(146,792)
Proceeds from sale of tangible fixed assets		56,280	75,246
Interest receivable and similar income		1,248	235
Net cash used in investing activities		<u>(59,861)</u>	<u>(71,311)</u>
Cash flows from financing activities:			
Repayments of borrowings		(88,378)	(91,401)
Interest paid		(19,205)	(17,062)
Hire purchase borrowings		-	43,000
Hire purchase repayments		(16,409)	(15,658)
Net cash from financing activities		<u>(123,992)</u>	<u>(81,121)</u>
Increase in cash and cash equivalents in the year		245,946	504,618
Cash and cash equivalents at 31 December 2021	19(b)	1,240,764	736,146
Cash and cash equivalents at 31 December 2022	19(b)	<u>1,486,710</u>	<u>1,240,764</u>

BLYTHSWOOD CARE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022

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) - (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, are of the opinion that the group 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 group 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 financial statements.

(d) *Consolidation*

These financial statements consolidate the accounts of Blythswood Care, Blythswood Care 1993, Blythswood Trading Limited and Blythswood Ireland Limited. Acquisitions are included within the consolidated statements from the date of acquisition. Gains arising on acquisition are recognised as a donation. The results of the subsidiaries are consolidated on a line-by-line basis.

(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. Revenue grants are recognised in full in the Statement of Financial Activities in the year in which the Charity is entitled to the income. Capital grants are recognised in the Statement of Financial Activities as the related assets are used.

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.

BLYTHSWOOD CARE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

(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.

(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

BLYTHSWOOD CARE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022

1. ACCOUNTING POLICIES (continued)

(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. Donated goods for resale are not valued and are held at nil value.

(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.

(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.

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022****1. ACCOUNTING POLICIES (continued)****(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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022****3. INCOME FROM DONATIONS AND LEGACIES**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Donations – cash	2,436,533	1,598,923	2,362,065	1,572,296
Donations – gifts in kind	4,115,742	4,598,243	4,115,742	4,598,243
Legacies	399,926	435,806	399,926	435,806
Grants	-	42,030	-	42,030
Donation from Blythswood Trading	-	-	47,814	322,724
	<u>6,952,201</u>	<u>6,675,002</u>	<u>6,925,547</u>	<u>6,971,099</u>
Attributable to funds as follows:				
Unrestricted	5,478,530	6,191,872	5,495,008	6,487,969
Restricted	<u>1,473,671</u>	<u>483,130</u>	<u>1,430,539</u>	<u>483,130</u>
	<u>6,952,201</u>	<u>6,675,002</u>	<u>6,925,547</u>	<u>6,971,099</u>

Income from grants comprises COVID support grants, 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).

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 Ireland Limited is a charity within the group and has some trading operations.

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

	2022	2021
	£	£
Turnover	3,445,509	2,428,543
Cost of sales, distribution and administration costs	(3,161,477)	(2,855,694)
Other operating income	29,150	1,007,690
Interest payable	(1,553)	(791)
Taxation	(5,852)	(17,063)
Net profit	<u>305,777</u>	<u>562,685</u>
Amount gift aided to charity	<u>(47,814)</u>	<u>(322,724)</u>
Retained in subsidiaries	<u>257,963</u>	<u>239,961</u>

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****5. INCOME FROM INVESTMENTS**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Other	1,248	235	384	44
	<u>1,248</u>	<u>235</u>	<u>384</u>	<u>44</u>

All income from investments was attributable to unrestricted funds.

6. EXPENDITURE ON RAISING FUNDS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Cost of raising funds	420,955	431,707	410,118	420,007
	<u>420,955</u>	<u>431,707</u>	<u>410,118</u>	<u>420,007</u>
Attributable to funds as follows:				
Unrestricted	415,970	420,007	410,118	420,007
Restricted	4,985	11,700	-	-
	<u>420,955</u>	<u>431,707</u>	<u>410,118</u>	<u>420,007</u>

BLYTHSWOOD CARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)
7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Costs to further charity's objects				
Aid trips and transport	11,098	5,169	11,098	5,169
Relief aid	4,225,661	4,646,629	4,115,742	4,598,243
Pastor support – Romania and Italy	22,760	9,360	22,760	9,360
Christian literature and education	15,699	19,427	15,699	19,427
Shoebox expenses	287,670	340,902	287,670	340,902
Salaries	455,330	409,107	416,034	379,580
Special projects	1,423,712	635,897	1,423,712	630,179
Deephaven/Glasgow costs	13,397	12,091	13,397	12,091
Relief aid – women & children	1,200	2,000	1,200	2,000
	<u>6,456,527</u>	<u>6,080,582</u>	<u>6,307,312</u>	<u>5,996,951</u>
Support costs				
Staff travel and accommodation	13,783	5,448	13,783	5,448
Salaries	6,288	6,158	-	-
Other expenses	83,581	78,039	83,581	78,039
Bank interest payable	19,205	17,062	19,205	17,062
Governance costs				
Audit fee charity	15,750	21,700	15,750	21,700
Audit fee charity - subsidiary	7,350	2,500	-	-
	<u>145,957</u>	<u>130,907</u>	<u>132,319</u>	<u>122,249</u>
Total	<u>6,602,484</u>	<u>6,211,489</u>	<u>6,439,631</u>	<u>6,119,200</u>
Attributable to funds as follows:				
Unrestricted funds	5,135,640	5,581,310	5,015,919	5,489,021
Restricted funds	1,466,844	630,179	1,423,712	630,179
	<u>6,602,484</u>	<u>6,211,489</u>	<u>6,439,631</u>	<u>6,119,200</u>

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****8. NET MOVEMENT IN TOTAL FUNDS FOR THE PERIOD *is stated after charging:***

	Group	
	2022	2021
	£	£
Depreciation		
- owned assets	90,646	95,286
- assets under hire purchase agreements	6,970	9,057
Operating lease rentals		
- land and buildings	182,658	223,308
Auditor's remuneration		
- Audit	17,850	17,000
- Tax compliance services	3,550	2,200
- Accounting support	5,250	5,000

9. STAFF COSTS AND NUMBERS

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

	Group		Charity	
	2022	2021	2022	2021
Employees	148	161	112	120

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Staff costs:				
Wages and salaries	2,436,323	2,233,394	500,193	506,692
Social security costs	178,748	111,489	142,623	111,489
Pension costs	91,003	100,391	75,302	69,327
	2,706,074	2,445,274	718,118	687,508

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

	2022	2021
	no	no
£70,000 - £79,999	1	1

All staff are employed by Blythswood Care. Staff costs for personnel working for subsidiaries are recharged at cost.

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****10. DIRECTORS' REMUNERATION**

James M Campbell received remuneration totalling £73,388 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 (2022 – £Nil).

11. KEY MANAGEMENT PERSONNEL

Day to day management of the group is delegated to the Chief Executive, Head of Projects, Head of Operations, Head of UK Operations, Head of Fundraising, Head of Finance and Head of People, Communication and Compliance (a post which was created on 1 January 2022). These seven 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:

	2022 £	2021 £
Blythswood Care	255,329	205,358
Blythswood Trading Limited	127,695	84,490
	<u>383,024</u>	<u>289,848</u>

BLYTHSWOOD CARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)
12. TANGIBLE FIXED ASSETS

Group	Heritable property £	Tenant's improvements £	Motor vehicles £	Warehouse and office equipment £	Total £
Cost					
At 1 January 2022	2,057,382	175,414	434,091	666,537	3,333,424
Additions	12,444	-	104,175	770	117,389
Disposals	(61,052)	-	(51,499)	(19,291)	(131,842)
At 31 December 2022	<u>2,008,774</u>	<u>175,414</u>	<u>486,767</u>	<u>648,016</u>	<u>3,318,971</u>
Depreciation					
At 1 January 2022	783,146	158,465	271,674	509,628	1,722,913
Charge for period	53,540	-	24,344	19,732	97,616
Disposals	(32,252)	-	(43,596)	(16,421)	(92,269)
At 31 December 2022	<u>804,434</u>	<u>158,465</u>	<u>252,422</u>	<u>512,939</u>	<u>1,728,260</u>
Net book value					
At 31 December 2022	<u>1,204,340</u>	<u>16,949</u>	<u>234,345</u>	<u>135,077</u>	<u>1,590,711</u>
At 31 December 2021	<u>1,274,236</u>	<u>16,949</u>	<u>162,417</u>	<u>156,909</u>	<u>1,610,511</u>

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

	2022	2021
Motor vehicles	<u>£71,384</u>	<u>£78,355</u>

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****12. TANGIBLE FIXED ASSETS (continued)**

Charity	Heritable property £	Motor vehicles £	Warehouse and office equipment £	Total £
Cost				
At 1 January 2021	1,081,704	87,930	49,544	1,219,178
Additions	12,444	-	-	12,444
Disposals	(45,000)	(12,974)	-	(57,974)
At 31 December 2022	<u>1,049,148</u>	<u>74,956</u>	<u>49,544</u>	<u>1,173,648</u>
Depreciation				
At 1 January 2022	455,280	72,436	41,396	569,112
Charge for period	31,474	4,648	2,445	38,567
Disposals	(16,200)	(12,926)	-	(29,126)
At 31 December 2022	<u>470,554</u>	<u>64,158</u>	<u>43,841</u>	<u>578,553</u>
Net book value				
At 31 December 2022	<u>578,594</u>	<u>10,798</u>	<u>5,703</u>	<u>595,095</u>
At 31 December 2021	<u>626,424</u>	<u>15,494</u>	<u>8,148</u>	<u>650,066</u>

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****13. FIXED ASSET INVESTMENTS**

	Group		Charity	
	2022	Combined 2021	2022	2021
	£	£	£	£
Investment in subsidiary undertaking	-	-	2	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

Blythswood Ireland Limited is consolidated in full by virtue of control.

14. DEBTORS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	27,808	52,655	-	-
Other debtors	34,625	93,858	30,711	27,224
Prepayments and accrued income	3,852	10,644	-	-
VAT	56,327	12,152	60,182	1,054
Amounts due from group undertakings	-	-	179,106	274,926
	<u>122,612</u>	<u>169,309</u>	<u>269,999</u>	<u>303,204</u>

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

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2021 (continued)****15. CREDITORS: amounts falling due within one year**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	111,913	112,089	34,137	34,313
Trade creditors	124,297	87,022	49,064	27,274
Taxation and social security	53,221	38,422	44,679	33,137
Other creditors	18,928	5,562	14,494	2,591
Corporation tax	-	-	-	-
Obligations under hire purchase contracts	16,700	16,075	3,000	3,000
Accruals and deferred income	43,960	60,659	17,278	17,278
	<u>369,019</u>	<u>319,829</u>	<u>162,652</u>	<u>117,593</u>

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

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Bank loans	247,555	335,757	182,702	216,599
Obligations under hire purchase contracts	28,258	45,292	1,750	4,750
	<u>275,813</u>	<u>381,049</u>	<u>184,452</u>	<u>221,349</u>

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

Bank loans held within Blythswood Ireland Limited (£39,020) are secured on its property.

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****17. FINANCIAL INSTRUMENTS**

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Financial liabilities				
Financial liabilities measured at amortised cost	<u>644,832</u>	<u>700,878</u>	<u>347,104</u>	<u>338,942</u>
Financial assets				
Financial assets measured at amortised cost	<u>1,609,322</u>	<u>1,410,073</u>	<u>1,228,785</u>	<u>1,089,470</u>

18. PROVISION FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred taxation		
At 1 January 2021	47,708	21,725
Charge for the year	<u>5,852</u>	<u>25,983</u>
At 31 December 2021	<u>53,560</u>	<u>47,708</u>

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	<u>53,560</u>	<u>47,708</u>

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****19. NOTES TO THE STATEMENT OF CASH FLOWS****(a) Reconciliation of net outgoing resources to net cash (outflow)/inflow from operating activities**

	Group	
	2022	2021
	£	£
Net incoming resources	231,877	595,517
Taxation	5,852	17,063
Interest paid	19,205	17,062
Interest receivable	(1,248)	(235)
Gain on sale of fixed assets	(16,707)	(11,485)
Depreciation	97,616	104,343
(Increase) in stock	(2,234)	(148)
Decrease/(increase) in debtors	46,697	(6,381)
Increase/(decrease) in creditors	48,741	(58,686)
Net cash inflow from operating activities	<u>429,799</u>	<u>657,050</u>

(b) Cash and cash equivalents

	Group	
	2022	2021
	£	£
Cash at bank and in hand	<u>1,486,710</u>	<u>1,240,764</u>
	<u>1,486,710</u>	<u>1,240,764</u>

BLYTHSWOOD CARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)
20. TOTAL FUNDS

	At 1 January 2022 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2022 £
(a) Current year Group					
Unrestricted					
- General	152,081	8,634,861	(8,457,998)	(184,230)	144,714
- Program	335,697	300,104	(149,316)	-	486,485
- Fixed Assets	1,559,891	-	(97,616)	128,436	1,590,711
Total Unrestricted	2,047,669	8,934,965	(8,704,930)	(55,794)	2,221,910
Restricted (note 21)	236,628	1,473,671	(1,471,829)	55,794	294,264
Total funds 2022	2,284,297	10,408,636	(10,176,759)	-	2,516,174
Charity					
Unrestricted					
- General	233,808	5,195,288	(5,238,154)	(57,998)	132,944
- Program	335,697	300,104	(149,316)	-	486,485
- Fixed Assets	650,068	-	(38,567)	(16,404)	595,097
Total Unrestricted	1,219,573	5,495,392	(5,426,037)	(74,402)	1,214,526
Restricted (note 21)	181,023	1,430,539	(1,423,712)	74,402	262,252
Total funds 2022	1,400,596	6,925,931	(6,849,749)	-	1,476,778
(b) Prior year Group					
Unrestricted	1,430,787	9,628,340	(8,874,074)	(137,384)	2,047,669
Restricted (note 21)	257,993	483,130	(641,879)	137,384	236,628
Total funds 2021	1,688,780	10,111,470	(9,515,953)	-	2,284,297
Charity					
Unrestricted	802,231	6,488,013	(5,909,028)	(161,643)	1,219,573
Restricted (note 21)	166,429	483,130	(630,179)	161,643	181,023
Total funds 2021	968,660	6,971,143	(6,539,207)	-	1,400,596

Funds are taken from general funds where restricted donations are insufficient to cover specific project commitments. Also, a small management charge (5%) may be applied to restricted funds where appropriate.

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****21. RESTRICTED FUNDS**

	At 1 January 2022 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2022 £
<i>(a) Current year Group & Charity</i>					
Restricted funds					
Albania	50	-	(5,015)	5,015	50
Africa	1,918	92,010	(121,523)	27,595	-
Bulgaria	-	13,080	(25,475)	12,395	-
India	5,965	93,932	(81,350)	(18,548)	-
Moldova	-	1,650	(34,450)	32,800	-
Pakistan	-	22,033	(87,545)	65,512	-
Serbia	-	7,866	(69,219)	61,353	-
Romania	2,120	71,350	(193,643)	153,553	33,380
Hungary	-	1,000	-	(1,000)	-
Total	10,053	302,921	(618,220)	338,676	33,430
Disaster and General	94,833	898,664	(756,229)	(152,437)	84,831
UK Projects	76,137	228,954	(49,263)	(111,837)	143,991
Blythswood Care	181,023	1,430,539	(1,423,712)	74,402	262,252
Blythswood Trading	50,620	-	-	(18,608)	32,012
Blythswood Ireland	4,985	43,132	(48,117)	-	-
	236,628	1,473,671	(1,471,829)	55,794	294,264

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

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****21. RESTRICTED FUNDS (continued)**

	At 1 January 2021 £	Income £	Expenditure £	Transfers between funds £	At 31 December 2021 £
<i>(b) Prior year Group & Charity</i>					
Restricted funds					
Albania	50	63	-	(63)	50
Africa	1,561	54,441	(96,583)	42,499	1,918
Bulgaria	-	8,214	(23,875)	15,661	-
India	-	59,364	(56,393)	2,994	5,965
Moldova	2,000	1,869	(26,728)	22,859	-
Pakistan	1,902	10,874	(87,236)	74,460	-
Serbia	-	19,305	(57,604)	38,299	-
Romania	11,662	94,831	(189,944)	85,571	2,120
Total	17,175	248,961	(538,363)	282,280	10,053
Disaster and General	98,678	67,124	(42,389)	(28,580)	94,833
UK Projects	50,576	167,045	(49,427)	(92,057)	76,137
Blythswood Care	166,429	483,130	(630,179)	161,643	181,023
Blythswood Trading	74,879	-	-	(24,259)	50,620
Blythswood Ireland	16,685	-	(11,700)	-	4,985
	257,993	483,130	(641,879)	137,384	236,628

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

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****22. FUNDS**

<i>Name of Fund</i>	<i>Description, nature and purposes of the fund</i>
General Fund	This fund holds the value of the reserves of the Group which are not held in either Restricted or Designated Funds.
Fixed Asset Fund	This fund has been designated by the Trustees to hold the value of the fixed assets of the Group.
Program Fund	This fund has been designated by the Trustees to hold a portion of the reserves of the Group deriving from specific gifts for use at the discretion of the Trustees.
Disaster and general	This fund comprises the value of donations and legacies given specifically for relief of disasters and crises around the world, including the current crisis in Ukraine.
UK Projects	This fund comprises the value of donations and legacies given specifically for projects within the UK.

BLYTHSWOOD CARE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)
23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Funds 2022 £
<i>(a) Current year</i>			
Fixed assets	1,558,699	32,012	1,590,711
Current assets	1,361,603	262,252	1,623,855
Creditors: due within one year	(369,019)	-	(369,019)
Creditors: due after more than one year	(275,813)	-	(275,813)
Provisions for liabilities	(53,560)	-	(53,560)
	<u>2,221,910</u>	<u>294,264</u>	<u>2,516,174</u>
<i>(b) Prior year</i>			
Fixed assets	1,559,891	50,620	1,610,511
Current assets	1,236,364	186,008	1,422,372
Creditors: due within one year	(319,829)	-	(319,829)
Creditors: due after more than one year	(381,049)	-	(381,049)
Provisions for liabilities	(47,708)	-	(47,708)
	<u>2,047,669</u>	<u>236,628</u>	<u>2,284,297</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Funds 2022 £
Charity			
<i>(c) Current year</i>			
Fixed assets	595,097	-	595,097
Current assets	966,533	262,252	1,228,785
Creditors: due within one year	(162,652)	-	(162,652)
Creditors: due after more than one year	(184,452)	-	(184,452)
	<u>1,214,526</u>	<u>262,252</u>	<u>1,476,778</u>
<i>(d) Prior year</i>			
Fixed assets	650,068	-	650,068
Current assets	908,447	181,023	1,089,470
Creditors: due within one year	(117,593)	-	(117,593)
Creditors: due after more than one year	(221,349)	-	(221,349)
	<u>1,219,573</u>	<u>181,023</u>	<u>1,400,596</u>

BLYTHSWOOD CARE**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – 31 DECEMBER 2022 (continued)****24. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2022 the group had future minimum lease payments under non-cancellable operating leases as follows:

Group

	2022	2021
	£	£
Not later than 1 year	65,997	68,937
	<u>65,997</u>	<u>68,937</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 £75,302 (2021 - £69,327). Contributions totalling £11,569 (2021 - £Nil) 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 year the group had the following arm's length transactions with related parties:

	Transaction £	Balance outstanding £
ASC Blythswood, Romania (Of which J M Campbell is a director)		
Donations to ASC Blythswood Romania from Blythswood Care	160,096	-
The Macangus Charitable Trust (Of which D K Laing is a trustee)		
Receipt of grants by Blythswood Care from The Macangus Charitable Trust	14,937	-