

**ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED**

**FINANCIAL STATEMENTS 2020**

**FOR INFORMATION PURPOSES**

**Royal Connaught Residential Home Limited**

**Annual report and financial statements**

**For the year ended 31 December 2020**

**Royal Connaught Residential Home Limited**

**Annual report and financial statements**

**For the year ended 31 December 2020**

**Contents**

Corporate information.....	3
Directors' report .....	4
Independent Auditor's report.....	6
Statement of comprehensive income.....	9
Statement of financial position.....	10
Notes to the financial statements.....	11 - 17
Detailed profit and loss account (unaudited).....	18

# **Royal Connaught Residential Home Limited**

## **Corporate information**

### **Directors**

Mr C. Williams  
Miss B. Benfield  
Dr C. Staite  
Mrs N. Burland  
Miss C. Thomas

Director (Chairman) (resigned 18th  
December 2020)  
Director  
Director (appointed 16th January 2020)  
Director (appointed 16th January 2020)  
Director (appointed 16th January 2020)

### **Secretary**

Colin Williams

### **Independent Auditor**

Grant Thornton Limited  
PO Box 313  
Lefebvre House  
Lefebvre Street  
St Peter Port  
Guernsey  
Channel Islands  
GY1 3TF

### **Banker**

National Westminster Bank  
35 High Street  
St Peter Port  
Guernsey  
GY1 4BE

**Company registration number**  
1313

### **Registered office**

New Connaught Care Home  
The Val  
Alderney  
GY9 3UL

# **Royal Connaught Residential Home Limited**

## **Directors' report**

### **For the year ended 31 December 2020**

The Directors present their report and financial statements for Royal Connaught Residential Home Limited (the "Company") for the year ended 31 December 2020.

#### **Incorporation**

The Company was registered in Alderney, Channel Islands on 10 December 1999 under The Companies (Alderney) Law, 1994, registration number 1313.

#### **Principal activities**

The primary purpose of the Company is to provide assistance to residents of Alderney through the provision of residential and sheltered accommodation services.

#### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In March 2020, the World Health Organisation recognised an outbreak of a new virus that causes coronavirus disease 2019 (COVID-19) as a pandemic. COVID-19 has caused disruption to business and economic activity. Given the inherent uncertainties at this time, it is not possible to determine the precise impact of COVID-19 on The Connaught Care Home, should the virus infect any of our residents. The Board notes that it has the potential to reduce future income and increase expenditure, but it is not possible to quantify the impact at this time. The situation regarding COVID-19 will need to be regularly reassessed. Despite the uncertainty around COVID-19, the Directors consider that the going concern basis remains appropriate.

#### **Financial results and dividends**

The financial results of the Company for the year are set out in detail on pages 9 and 10 supported by the notes to the financial statements on pages 11 to 17 inclusive.

The Directors do not propose the payment of an ordinary dividend (2019: nil).

#### **Statement of Directors' responsibilities in respect of the Directors' report and the financial statements**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("Section 1A of FRS 102").

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable matters relating to going concern; and

# Royal Connaught Residential Home Limited

## Directors' report

For the year ended 31 December 2020

- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with Companies (Alderney) Law, 1994, as amended. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Independent Auditor

Grant Thornton Limited was appointed as auditor of the Company during the period. A resolution for the appointment of Grant Thornton Limited as auditor of the Company will be proposed at a future Board meeting.

By order of the Board



Director



Director

Date: 18 August 2021

# **Independent auditor's report to the members of Royal Connaught Residential Home Limited**

## **Opinion**

We have audited the financial statements of Royal Connaught Residential Home Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income and the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' – Section 1A of FRS102 – Small Entities (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- are in accordance with United Kingdom Generally Accepted Practice; and
- comply with The Companies (Alderney) Law, 1994.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, 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.

## **Other Matter**

The financial statements of the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 16 June 2020.

## **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, except to the extent otherwise explicitly stated in our report, 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.

**Responsibilities of directors for the financial statements**

As explained more fully in the statement of directors' responsibilities on pages 2 and 3, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Practice, 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up



to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Section 79 of The Companies (Alderney) Law, 1994. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Grant Thornton Limited**  
Chartered Accountants  
St Peter Port, Guernsey

Date: 20 August 2021

# Royal Connaught Residential Home Limited

## Statement of comprehensive income

For the year ended 31 December 2020

	Note	2020 £	2019 £
<b>Income and operating profit</b>			
Care fees	5	1,459,348	1,350,617
Less: administrative expenses	5	(1,556,978)	(1,432,017)
<b>Operating loss</b>		<u>(97,630)</u>	<u>(81,400)</u>
Other interest receivable and similar income		147,294	118,017
<b>Profit on ordinary activities before interest payable and similar expenses</b>		<u>49,664</u>	<u>36,617</u>
Meals on wheels expenses		(19,217)	(17,854)
<b>Total comprehensive income for the year</b>		<u>30,447</u>	<u>18,763</u>

All activities are derived from continuing activities.

The Company has no components of "other comprehensive income".

The notes on pages 11 to 17 form an integral part of these financial statements.

# Royal Connaught Residential Home Limited


## Statement of financial position


For the year ended 31 December 2020

	Notes	2020 £	2019 £
<b>Non-current assets</b>			
Property, plant and equipment	8	244,367	234,210
Capital work in progress	3	<u>26,387</u>	<u>44,623</u>
<b>Total non-current assets</b>		<b>270,754</b>	<b>278,833</b>
<b>Current assets</b>			
Cash at bank and in hand		360,469	308,924
Debtors	9	<u>37,110</u>	<u>45,440</u>
<b>Total current assets</b>		<b>397,579</b>	<b>354,364</b>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	10	<u>115,111</u>	<u>110,422</u>
<b>Total current liabilities</b>		<b>115,111</b>	<b>110,422</b>
<b>Net assets</b>		<b>553,222</b>	<b>522,775</b>
<b>Capital and reserves:</b>			
Shareholder's capital	11	2	2
Profit and loss reserves	12	<u>553,220</u>	<u>522,773</u>
<b>Total shareholder's funds</b>		<b>553,222</b>	<b>522,775</b>

The notes on pages 11 to 17 form an integral part of these financial statements.

The financial statements on pages 9 to 17 were approved by the Board of Directors on 18 August 2021 and are signed on their behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# Royal Connaught Residential Home Limited

## Notes to the financial statements

For the year ended 31 December 2020

### 1. Reporting entity

Royal Connaught Residential Home Limited (the "Company") was established on 10 December 1999 and is registered in Alderney. The Company is governed by the provision of the Companies (Alderney) Law, 1994. The principal activity of the Company is to manage the Residential Home and Sheltered accommodation. The Company obtained Charitable Status in 2014 from the States of Guernsey income tax.

### 2. Basis of preparation

The Company's financial statements give a true and fair view, comply with the Companies (Alderney) Law, 1994 and are prepared in compliance with United Kingdom Accounting Standards, including Section 1A of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The financial statements have been prepared on a historical cost basis.

The financial statements are prepared in sterling which is the functional currency of the Company. The Directors consider sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Under the provisions of section 1A of FRS 102, the Company is exempt from the requirement to prepare a cashflow statement and statement of changes in equity.

#### Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In March 2020, the World Health Organisation recognised an outbreak of a new virus that causes coronavirus disease 2019 (COVID-19) as a pandemic. COVID-19 has caused disruption to business and economic activity. Given the inherent uncertainties at this time, it is not possible to determine the precise impact of COVID-19 on The Connaught Care Home, should the virus infect any of our residents. The Board notes that it has the potential to reduce future income and increase expenditure, but it is not possible to quantify the impact at this time. The situation regarding COVID-19 will need to be regularly reassessed. Despite the uncertainty around COVID-19, the Directors consider that the going concern basis remains appropriate.

### 3. Significant accounting policies

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

During 2020, the calculation of depreciation was changed from the reducing balance method to the straight line method, in order to prevent overstatement of fixed asset value.

Depreciation is charged to the statement of comprehensive income. Depreciation is provided on all property, plant and equipment, on the straight line method as follows:

# Royal Connaught Residential Home Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### Accounting Policies (continued)

Leasehold improvements	5% per annum
Computer equipment	20% per annum
Furniture and equipment	20% per annum
Motor vehicle	25% per annum
New Office conversion	20% per annum
Refurbishments	10% per annum
Shed	20% per annum

Depreciation is charged in the year of purchase or sale and is calculated in proportion to the period the property, plant or equipment is held.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

#### Capital work in progress

Capital work in progress is shown separately within the financial statements. This balance represents items of property, plant and equipment that are in the process of being manufactured but are incomplete at the end of the reporting period. Capital work in progress is not depreciated but reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to the lessor.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of financial position, comprise cash at banks and in hand. There are no bank overdraft facilities in place.

#### Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price, less attributable transaction costs. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

#### Income recognition

Income is recognised on an accruals basis.

#### Care fees income

Fee income includes care fees and associated fees charged for related services.

# **Royal Connaught Residential Home Limited**

## **Notes to the financial statements (continued)**

**For the year ended 31 December 2020**

### **Accounting Policies (continued)**

#### **Other income**

Other income includes income received from casual meals, meals on wheels, deposit interest and donations, fundraising and legacies.

#### **Interest receivable**

Interest receivable is recognised as interest accrued using the effective interest method.

#### **Expenses**

Expenses, including administration and other expenses are accounted for on an accruals basis and are recognised in the statement of comprehensive income on the transaction date.

#### **Taxation**

The Company has charitable status and is wholly owned by the States of Alderney and is thus not liable to Guernsey company tax.

### **Basic financial instruments**

#### **Trade and other debtors/creditors**

Trade and other debtors are classified as financial assets and are measured at cost less impairment. Creditors are classified as financial liabilities and are measured at amortised cost.

#### **Recognition**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets are derecognised when and only when the contractual rights to the cash flow from the financial assets expire or are settled. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **Measurement**

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carry amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

#### **Impairment of assets**

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Comprehensive Income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income.

#### **4. Use of judgements and estimates**

In preparing these financial statements, the Company has made judgements that affect the application of accounting policies and the reported amounts of assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

# Royal Connaught Residential Home Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### Use of judgements and estimates (continued)

#### Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### Establishing useful economic lives for depreciation purposes of property and equipment

The annual depreciation charge of long-lived assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The Directors regularly review these asset lives. Detail of the useful lives is included in the accounting policies.

#### Providing for doubtful debts

The Company makes an estimate of the recoverable value of trade debtors. The Company uses estimates based on historical experience in determining the level of debts which, it believes, will not be collected. These estimates include such factors as the ageing profile of debtors and historical experience. The level of provision required is reviewed on an on-going basis.

### 5. Income and operating profit

The income and operating profit is derived wholly from continuing activities.

		2020	2019
		£	£
Income			
Care fees		1,459,348	1,350,617
		<u>1,459,348</u>	<u>1,350,617</u>
	Note	2020	2019
		£	£
Administrative expenses			
Staff costs	7	1,201,552	1,129,730
Heat, light and power		76,917	83,801
Depreciation		43,606	25,701
Administration expenses		61,131	56,479
Operational expenses		171,072	136,337
Bad debt provision		-	(1,981)
Directors attendance allowance		2,700	1,950
		<u>1,556,978</u>	<u>1,432,017</u>

# Royal Connaught Residential Home Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 6. Auditor's remuneration

The remuneration of the auditors is further analysed as follows:

	2020	2019
	£	£
Audit of financial statements	8,500	8,200

### 7. Staff costs

	2020	2019
	£	£
Wages and salaries	1,130,901	1,062,159
Social security costs	70,651	67,571
	<u>1,201,552</u>	<u>1,129,730</u>

Staffing levels are based on the number of employees on the payroll (both part and full time) not on Whole Time Equivalents. The average monthly number of employees during the year was as follows:

	2020	2019
	No.	No.
Employees	66	58

### 8. Fixed assets

	Leasehold improvements	Computer equipment	Fixtures & equipment	Motor vehicles	New office Conversion	Refurbishments	Shed	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
As at 1 January 2020	301,676	25,970	130,003	30,028	-	-	-	487,677
Disposals	-	(3,990)	(104,024)	(23,028)	-	-	-	(131,042)
Additions	-	2,191	30,433	-	1,952	17,786	3,787	56,149
As at 31 December 2020	<u>301,676</u>	<u>24,171</u>	<u>56,412</u>	<u>7,000</u>	<u>1,952</u>	<u>17,786</u>	<u>3,787</u>	<u>412,784</u>
Depreciation								
As at 1 January 2020	125,700	6,289	95,093	26,385	-	-	-	253,467
Disposals	-	(3,990)	(101,678)	(23,028)	-	-	-	(128,696)
Charge for the year	15,084	4,711	19,514	2,112	261	1,334	631	43,646
As at 31 December 2020	<u>140,784</u>	<u>7,010</u>	<u>12,929</u>	<u>5,469</u>	<u>261</u>	<u>1,334</u>	<u>631</u>	<u>168,417</u>
Net book value								
As at 31 December 2020	<u>160,892</u>	<u>17,161</u>	<u>43,483</u>	<u>1,531</u>	<u>1,691</u>	<u>16,452</u>	<u>3,156</u>	<u>244,367</u>
Net book value								
As at 31 December 2019	175,976	19,681	34,910	3,643	-	-	-	234,210

Disposals relate to items of fixtures and equipment which were written off during the year. These fixed assets were fully depreciated on date of derecognition.

During 2020, the calculation of depreciation was changed from the reducing balance method to the straight line method, in order to prevent overstatement of Fixed Asset value.



# Royal Connaught Residential Home Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2020

### 9. Debtors

	2020	2019
	£	£
Trade debtors	34,579	38,680
Prepayments and other accrued income	7,106	11,334
Bad debt provision	(4,574)	(4,574)
	<u>37,111</u>	<u>45,440</u>

### 10. Creditors - amounts falling due within one year

	2020	2019
	£	£
Trade creditors	23,695	31,648
Accruals	10,688	9,728
Other creditors	80,728	69,046
	<u>115,111</u>	<u>110,422</u>

The Company has a NatWest credit card facility of £6,000. This facility is paid off in full on a monthly basis. There was £342 (2019: £50) outstanding at year end.

### 11. Share Capital

There are 2 authorised ordinary shares of £1 each. Two ordinary shares of £1 (2019: two ordinary shares) has been issued and fully paid as at 31 December 2020.

### 12. Reconciliation of movements in capital and reserves

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance as at 1 January 2020	2	522,773	522,775
Total comprehensive income	-	30,447	30,447
Balance as at 31 December 2020	2	<u>553,220</u>	<u>553,222</u>

### 13. Dividends paid and other appropriations

The directors of the Company do not propose to pay an ordinary dividend (2019: £nil).

### 14. Related party transactions

100% of the share capital is held by the States of Alderney and therefore they are the ultimate controlling party. The Company is managed by an independent Board of Directors.

### 15. Operating lease commitments

On 5 May 2016, a new operating lease was signed in respect of the occupation of the Royal Connaught Care Home. This lease runs for 5 years. Under the new lease, no rental payments will fall due. The commencement date of the new lease is 1 January 2017.

# **Royal Connaught Residential Home Limited**

## **Notes to the financial statements(continued)**

**For the year ended 31 December 2020**

**16. Events after the reporting period**

There are no events to note after the end of the reporting period and up to the date of the signing of these financial statements that require further disclosure.

# Royal Connaught Residential Home Limited

## Detailed profit and loss account (unaudited)

For the year ended 31 December 2020

	Note	2020	2019
		£	£
<b>Income</b>			
Care fees		1,459,348	1,350,617
<b>Administration expenses</b>			
Wages and social security		(1,201,552)	(1,129,730)
Training		(3,978)	(7,158)
Heat, light and power		(76,917)	(83,801)
Depreciation		(43,606)	(25,701)
Telephone and post		(7,727)	(6,451)
Insurance		(9,747)	(8,145)
Advertising, printing and stationery		(4,108)	(3,907)
Accounting, computer and legal fees		(25,873)	(27,288)
Travel		(3,227)	(2,262)
Bank charges		(3,972)	(3,654)
Sundries		(6,477)	(4,772)
Food and catering		(68,413)	(62,957)
Repairs and maintenance		(77,333)	(45,871)
Cleaning and laundry		(17,615)	(16,748)
Residents' activities		(1,477)	-
Vehicle expenses		(2,256)	(3,603)
Bad debt provision		-	1,981
Directors' Attendance Allowance		(2,700)	(1,950)
		(1,556,978)	(1,432,017)
<b>Profit on ordinary activities</b>		(97,630)	(81,400)
<b>Interest receivable and other income</b>			
Casual meals		1,885	2,604
Meals on wheels		32,659	26,726
Deposit interest		95	127
Home Help income		88,680	85,882
Lifeline		1,450	
Sale of 2nd hand goods		500	
Donations, fundraising and legacies		22,025	2,678
		147,294	118,017
<b>Interest payable and similar expenses</b>			
Meals on wheels		(19,217)	(17,854)
<b>Total other comprehensive income</b>		128,077	100,163
<b>Total comprehensive income/(loss) for the year</b>		30,447	18,763