

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

FINANCIAL STATEMENTS 2012

FOR INFORMATION PURPOSES

PLEASE NOTE THAT THESE STATEMENTS ARE SUBJECT TO FINAL APPROVAL

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

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ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

DIRECTOR:

**Dr C Twentyman
Mr B B Noone
Mr T Llewellyn
Ms C Yorke (Resigned 31.12.2012)
Mrs Y Parmentier (Appointed 31.12.2012)**

SECRETARY:

**Mr B B Noone
Les Rochers
Alderney
GY9 3YW**

Draft

**INDEPENDENT
ACCOUNTANTS:**

**KPMG Channel Islands Limited
20 New Street
St Peter Port
Guernsey
GY1 4AN**

REGISTERED OFFICE:

**New Connaught Care Home
The Val
Alderney
GY9 3UL**

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

DIRECTORS' REPORT - 31ST DECEMBER 2012

The directors present herewith the financial statements of the Company for the year ended 31st December 2012.

PRINCIPAL ACTIVITY

The Company manages residential care homes.

INCORPORATION

The Company is incorporated in Alderney.

RESULTS

The results for the year are set out in the attached profit and loss account on page 5.

Draft

DIVIDENDS

The directors do not recommend a dividend for the year. (2011 : Nil)

AUDIT EXEMPTION

For the year ended 31 December 2012 the Company was entitled to exemption from audit. These accounts have not been audited, however a review report has been included on page 4.

BY ORDER OF THE BOARD

Director
New Connaught Care Home, The Val, Alderney

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law.

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 period.

In preparing these 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; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Alderney) Law, 1994. They 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.

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

Chartered accountants' independent assurance report on the unaudited financial statements of Royal Connaught Residential Home Limited

To the Board of Directors of Royal Connaught Residential Home Limited ('the Company')

We have performed certain procedures in respect of the Company's unaudited financial statements for the year ended 31 December 2012 as set out on pages 5 to 9, made enquiries of the Company's directors and assessed accounting policies adopted by the directors, in order to gather sufficient evidence for our conclusion on this report.

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 14 January 2013. It has been released to the directors on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the directors' own internal proposes or as may be required by law or by a competent regulator) or in part, without our prior written consent. Our work has been undertaken so that we might state to the directors those matters that we have agreed to state to them in this 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 directors as a body for our own work, for this report of the conclusions we have formed.

Respective responsibilities

You have confirmed that they have met your duty as set out in the directors' report on page 2. You consider that the Company is exempt from the statutory requirement for an audit for the year ended 31 December 2012. Our responsibility is to form and express an independent conclusion, based on the work carried out, to you on the financial statements.

Scope

We conducted our engagement in accordance with the Institute of Chartered Accountants in England and Wales' Interim Technical Release AAF 03/06. Our work was based primarily upon enquiry, analytical procedures and assessing accounting policies in accordance with United Kingdom Accounting Standards. If we considered it to be necessary, we also performed limited examination of evidence relevant to certain balances and disclosures in the financial statements where we became aware of matters that might indicate a risk of material misstatement in the financial statements.

The terms of our engagement exclude any requirement to carry out a comprehensive assessment of the risks of material misstatement, a consideration of fraud, laws, regulations and internal controls, and we have not done so. We are not required to, and we do not, express an audit opinion on these financial statements

Conclusion

Based on our work, nothing has come to our attention to refute the directors' confirmation that in accordance with the Companies (Alderney) Law, 1994 the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended and have been properly prepared in accordance with United Kingdom Accounting Standards.

KPMG Channel Islands Limited
Chartered Accountants
Guernsey
Date

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 31ST DECEMBER 2012

	Notes	2012		2011	
		£	£	£	£
INCOME :-	1b				
Care Fees			718,894		643,892
OTHER INCOME :-	1b				
Casual Meals		2,052		568	
Meals On Wheels		14,586		11,341	
Donations		-		21,725	
States Grant re Audit Fee		2,500		-	
Medical Expenses Recovered		186		307	
		-----	19,324	-----	33,941
			-----		-----
			738,218		677,833
OPERATING EXPENSES :-	1b				
Directors Fees		18,205		28,872	
Wages & Social Security		458,267		480,442	
Training		2,846		3,549	
Food & Catering		42,532		44,746	
Heat, Light & Power		52,982		58,221	
Repairs & Replacements		22,617		28,658	
Building Maintenance		765		2,929	
Cleaning & Laundry		6,588		8,787	
Dab Debt Provision		1,841			
Medical Expenses		12,382		14,044	
Vehicle Expenses		1,558		2,632	
		-----	620,583	-----	672,880
			-----		-----
			117,635		4,953
ADMINISTRATION EXPENSES :-	1b				
Rent & Rates		96,316		67,590	
Telephone & Posts		2,186		2,420	
Insurance		5,491		5,160	
Flowers & Garden Expenses		-		122	
Adverts, Printing & Stationery		1,165		1,149	
Accounting, I.T. & Legal Fees		9,263		11,319	
Company Filing Fee		184		292	
Bank Charges		1,478		1,542	
Sundries		3,233		3,336	
Depreciation	1c	19,716		39,072	
		-----	139,032	-----	132,002
			-----		-----
FUNDS FROM OPERATIONS			(21,397)		(127,049)
DEPOSIT INTEREST			9		2,178
			-----		-----
PROFIT / (LOSS) FROM OPERATIONS			(21,388)		(124,871)
			=====		=====

The above results have been derived from continued activities.

The Company has no recognised profits or losses in the year other than those reflected above.

The notes on pages 8 to 9 form an integral part of these accounts.

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2012

		2012		2011	
		£	£	£	£
FIXED ASSETS	Notes 2		379,636		393,818
CURRENT ASSETS					
Debtors & Prepayments	6	10,816		7,285	
Cash at Bank		17,316		66,558	
Cash on Deposit		12,604		12,630	
		-----		-----	
		40,736		86,473	
		-----		-----	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Trade Creditors		16,934		55,465	
		-----		-----	
		16,934		55,465	
		-----		-----	
NET CURRENT ASSETS / (LIABILITIES)			23,802		31,008
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			403,438		424,826
			=====		=====
CAPITAL AND RESERVES :-					
SHARE CAPITAL	3		2		2
RETAINED EARNINGS	4		403,436		424,824
			-----		-----
SHAREHOLDERS' FUNDS			403,438		424,826
			=====		=====

The financial statements on pages 5 to 9 were approved by the board of directors on the and are signed on its behalf by:-

2013

Director:
Name

Director:
Name

The notes on pages 8 to 9 form an integral part of these accounts.

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012		2011
	£		£
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit /(loss)	(21,397)		(127,049)
Depreciation charges	19,716		39,072
(Increase)/decrease in debtors	(3,531)		(3,641)
(Increase)/decrease in creditors	(38,531)		(6,292)
	-----		-----
Net cash inflow / (outflow) from operating activities	(43,743)		(97,910)
Returns on investments and servicing of finance			
Bank Interest	9	<i>Draft</i>	2,178
	-----		-----
Capital expenditure and financial investment			
Payments to acquire fixed assets	(5,534)		(300,445)
	-----		-----
Cash (outflow)/inflow before management of liquid resources and financing	(49,268)		(396,177)
	-----		-----
Increase/(decrease) in cash for the year	(49,268)		(396,177)
Cash position at start of year	79,188		475,365
	-----		-----
Cash position at end of year	29,920		79,188
	-----		-----

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 2012

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

a) Bases of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

b) Income & Expenses

All income and expenses are accounted for on an accruals basis where the actual income or expenditure has not been finalised.

c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation, depreciation is provided for on a reducing balance basis to write down the cost of the fixed assets to their estimated residual values over the period of their estimated useful lives at the following rates:-

Buildings	Nil
Motor Vehicles	25%
Fixtures & Equipment	20%

d) Taxation

The Company is taxable at 0%

2. FIXED ASSETS

	Building Extensions	Motor Vehicles	Fixtures & Equipment	TOTAL	(Prior Year Comparative)
Cost	£	£	£	£	£
1st January	301,676	25,428	174,703	501,807	201,362
Additions	-	-	5,534	5,534	300,445
	-----	-----	-----	-----	-----
31st December	301,676	25,428	180,237	507,341	501,807
	-----	-----	-----	-----	-----
Depreciation					
1st January	-	21,815	86,174	107,989	68,917
Charge for year	-	903	18,813	19,716	39,072
	-----	-----	-----	-----	-----
31st December	-	22,718	104,987	127,705	107,989
	-----	-----	-----	-----	-----
Net Book Value					
1st January	301,676	3,613	88,529	393,818	132,445
	-----	-----	-----	-----	-----
31st December	301,676	2,710	75,250	379,636	393,818
	-----	-----	-----	-----	-----

3. SHARE CAPITAL

Authorised :-

10000 shares of £1 each

2012	2011
10,000	10,000
-----	-----

Allocated, Issued and Fully Paid :-

2 shares of £1 each

2	2
-----	-----

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

NOTES TO THE ACCOUNTS - 31ST DECEMBER 2012 (Continued)

4. RECONCILIATION OF MOVEMENT IN RETAINED EARNINGS

	2012	2011
	£	£
Balance at 1st January	424,824	549,695
Profit / (loss) for the Year	(21,388)	(124,871)
	-----	-----
Balance at 31st December	403,436	424,824
	-----	-----

5. REMUNERATION OF DIRECTORS

	2012	2011
	£	£
Directors' emoluments	18,205	28,872
Number of directors	4	4

The aggregate of emoluments receivable by the highest paid director was £10,000. (2011 £22,542)

6. DEBTORS

	2012	2011
	£	£
Trade Debtors	6,649	5,345
Prepayments	4,167	1,940
	-----	-----
	10,816	7,285
	-----	-----

7. ULTIMATE CONTROLLING PARTY AND RELATED PARTY DISCLOSURES

The Company is owned 100% by the States of Alderney, and is managed by an independent board of directors with one of the directors being appointed by the States of Alderney.

During the period the following amounts were paid to directors in respect of additional services rendered.

	2012	2011
	£	£
Mr B Noone (Noone & Associates) (Accountancy Services)	1,000	464
Ms C Yorke (NVQ Training Services)	1,123	578

There are no outstanding payments due as at 31.12.2012.