

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

DRAFT FINANCIAL STATEMENTS 2014

FOR INFORMATION PURPOSES

**PLEASE NOTE THESE DRAFT FINANCIAL STATEMENTS HAVE YET TO RECEIVE AUDIT CLEARANCE AND
ARE SUBJECT TO APPROVAL BY THE DIRECTORS AT ITS NEXT MEETING**

Royal Connaught Residential Home Limited Chairman's Report on the Annual Accounts 2014

2014 was a better year than 2013. From January to December resident numbers increased from 24 to 30 including an increase in the number from 1 to 5 of those beneficiaries entitled to the enhanced GSS dementia care payment.

In conjunction with Milly's Foundation, a Bailiwick registered charity that raises funds to enhance the service for residents with dementia and their carers on Alderney, site security is being sympathetically improved so that full dementia registration with HSSD can be achieved. This work is well underway and will be completed in the first half of 2015.

In 2014 the company also became a Bailiwick registered charity.

Compared with 2013, care income in 2014 increased by 23% whilst staff costs rose 25%. An important ratio for the care home complex is: Care Income divided by Staff Wages. This ratio increases with increasing level of occupancy. It was 1.7 in 2014 compared with 1.6 in 2013. This improvement enabled us to increase the number of carers, to remove the need for the £40,000 rent concession granted by the States in 2013 returning it to the contractual level for 2014 of £82,000, and covered a substantial increase in building and general maintenance costs from some £31,062 in 2013 to £56,258 in 2014. A survey of the condition of the buildings was commissioned by the States at the end of the year. The results will be available in 2015.

The overall result was that a surplus of £18,607 was generated in 2014, above the budget of £15,497 and below the £26,337 recorded in 2013.

The Board actively promotes the dignity and self-worth of all our residents and strives to enhance and maintain each individual's quality of life by delivering a person centred care service. Above all, at the centre of this objective rests the need for an adequate number of compassionate and empathetic staff. As has been highlighted in the UK national press, there have been problems with availability, cost and quality of care-home provision in the UK often resulting from an insufficiency in the number of trained/compassionate staff. The Board are determined to employ and train staff who understand the needs of the beneficiaries and to pay them at the appropriate rate.

Colin Williams
19/03/15
C68

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

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ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

COMPANY INFORMATION

DIRECTORS:

Mr B B Noone
Mrs E J Maxwell
Mr C Williams (Appointed 11.03.2014)
Miss E Gershon (Appointed 11.03.2014)
Mr T Llewellyn (Resigned 11.03.2014)

SECRETARY:

Mr B B Noone
Beauvoir
Les Rochers
Alderney
GY9 3YW

AUDITOR:

KPMG Channel Islands Limited
Gategny Court
Gategny Esplanade
St Peter Port
Guernsey
GY1 1WR

REGISTERED OFFICE:

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New Connaught Care Home
The Val
Alderney
GY9 3UL

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

DIRECTORS' REPORT - 31ST DECEMBER 2014

The Directors present herewith the financial statements of the Company for the year ended 31st December 2014.
During the period the company obtained Charitable Status.

PRINCIPAL ACTIVITY

The Company manages the Residential Home and Sheltered accommodation in Alderney.

INCORPORATION

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

RESULTS

The results for the year are set out in the attached profit and loss account on page 6.

DIVIDENDS

The Directors do not recommend a dividend for the year (2013 : Nil).

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BY ORDER OF THE BOARD

Director
Date
New Connaught Care Home, The Val, Alderney

Director
Date

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.

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 aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Auditor

KPMG Channel Islands Limited were reappointed as auditor of the Company during the period. A resolution for the re-appointment of KPMG Channel Islands Limited as auditor of the Company will be proposed at the Board of Directors meeting.

- 4 -

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

To be inserted

- 5 -

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

To be inserted

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ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 31ST DECEMBER 2014

	Notes	2014		2013	
		£	£	£	£
INCOME :-	1b				
Care Fees			850,455		692,073
OTHER INCOME :-	1b				
Casual Meals		3,627		1,920	
Meals On Wheels		21,338		21,458	
Medical Expenses Recovered		1,052		-	
States Grant re Audit Fee		-		3,500	
Donations, Fundraising and Legacies		912		12,096	
		-----	26,929	-----	38,974
			-----		-----
TOTAL INCOME			877,384		731,047
OPERATING EXPENSES :-	1b				
Directors Fees		-		952	
Wages & Social Security		496,457		430,854	
Training		5,841		590	
Food & Catering		38,162		32,702	
Meals On Wheels Expense		16,588		17,052	
Heat, Light & Power		60,862		62,385	
Repairs & Maintenance		23,360		17,213	
Building Maintenance		32,898		13,849	
Cleaning & Laundry		13,433		5,255	
Medical Expenses		6,199		11,329	
Vehicle Expenses		659		325	
		-----	694,459	-----	592,506
			-----		-----
			182,925		138,541
ADMINISTRATION EXPENSES :-	1b				
Rent & Rates		95,584		53,057	
Telephone & Posts		3,420		2,613	
Insurance		9,347		6,653	
Adverts, Printing & Stationery		1,302		261	
Accounting, I.T. & Legal Fees		20,506		15,713	
Company Filing Fee		161		212	
Travel		1,454		-	
Bank Charges		857		864	
Sundries		3,893		2,035	
Depreciation	1c	27,832		30,812	
		-----	164,356	-----	112,220
			-----		-----
FUNDS USED IN OPERATIONS			18,569		26,321
DEPOSIT INTEREST			38		16
			-----		-----
PROFIT / (LOSS) FROM OPERATIONS			18,607		26,337
			=====		=====

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 10 form an integral part of these financial statements.

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2014

		2014		2013	
		£	£	£	£
FIXED ASSETS	Notes		304,870		328,712
	2				
CURRENT ASSETS					
Debtors & Prepayments	6	24,108		36,935	
Bank and Cash		113,068		100,971	
Cash on Deposit		50,000		12,620	
		-----		-----	
		187,176		150,526	
		-----		-----	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors	7	54,946		60,745	
		-----		-----	
		54,946		60,745	
		-----		-----	
NET CURRENT ASSETS			132,230		89,781
TOTAL ASSETS LESS CURRENT LIABILITIES			437,100		418,493
			-----		-----
			=====		=====
CAPITAL AND RESERVES :-					
SHARE CAPITAL	3		2		2
RETAINED EARNINGS	4		437,098		418,491
			-----		-----
SHAREHOLDERS' FUNDS			437,100		418,493
			=====		=====

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The financial statements on pages 6 to 10 were approved by the board of directors on the and are signed on its behalf by:-

2015

Director:
Name

Director:
Name

The notes on pages 8 to 10 form an integral part of these financial statements.

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2014

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) Basis 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.

c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation, depreciation is provided for on a reducing balance basis, unless shown otherwise, 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	Written off over 20 years at £15,084 pa
Motor Vehicles	25% pa
Fixtures & Equipment	20% pa
Computer Equipment	20% Fixed Rate

d) Taxation

The Company is taxable at 0%.

e) Going Concern

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The directors have considered the future profitability of the Company and its ability to continue as a going concern. Profit forecasts have been prepared and based on these projections the directors are satisfied that for the foreseeable future, the company remains profitable and consequently the financial statements have been prepared on a going concern basis.

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2014 (Continued)

2. FIXED ASSETS	Building Extensions	Motor Vehicles	Fixtures & Equipment	Computer Equipment	TOTAL
	£	£	£	£	£
Cost					
1st January 2014	301,676	25,428	180,237	-	507,341
Additions	-	-	-	3,990	3,990
31st December 2014	301,676	25,428	180,237	3,990	511,331
Depreciation					
1st January 2014	35,196	23,396	120,037	-	178,629
Charge for year	15,084	508	12,040	200	27,832
31st December 2014	50,280	23,904	132,077	200	206,461
Net Book Value					
1st January 2014	266,480	2,032	60,200	-	328,712
31st December 2014	251,396	1,524	48,160	3,790	304,870

3. SHARE CAPITAL

	2014	2013
	£	£
Authorised :- 10,000 shares of £1 each	10,000	10,000
Allocated, Issued and Fully Paid :- 2 shares of £1 each	2	2

4. RECONCILIATION OF MOVEMENT IN RETAINED EARNINGS

	2014	2013
	£	£
Balance at 1st January	418,491	392,154
Profit / (Loss) for the Year	18,607	26,337
Balance at 31st December	437,098	418,491

5. REMUNERATION OF DIRECTORS

	2014	2013
	£	£
Directors' emoluments	-	952
Number of directors	4	4

The aggregate of emoluments receivable by the highest paid director was £Nil (2013 £600).

ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2014 (Continued)

6. DEBTORS	2014	2013
	£	£
Trade Debtors	20,170	35,064
Prepayments	3,938	1,871
	-----	-----
	24,108	36,935
	-----	-----

7. CREDITORS	2014	2013
	£	£
Trade Creditors	53,940	59,560
Other Creditors	1,006	1,185
	-----	-----
	54,946	60,745
	-----	-----

8. 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. In 2013 the States of Alderney agreed to a one off reduction of rent for the year ended 31 December 2013 of £40,000.

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

	2014	2013
	£	£
Mr B B Noone (Noone & Associates) (Accountancy Services)	7,500	6,000

There are no outstanding payments due as at 31.12.2014 (2013 Nil).