

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Charitable activities

	Unrestricted Fund £	Restricted Fund £	2019 £	2018 £
Staff costs	289,658	11,422	301,080	297,950
Depreciation and impairment	40,413	-	40,413	47,932
Light and heat	17,554	220	17,774	8,588
Repairs and renewals	22,803	-	22,803	28,525
Subscriptions	2,975	-	2,975	1,591
Cost of provision of subsidised therapy	74,167	-	74,167	83,560
Travel and subsistence	7,745	10,000	17,745	19,630
Cleaning	5,814	-	5,814	6,464
Rent and rates	5,069	-	5,069	533
Bank charges	2,148	-	2,148	1,922
	<u>468,346</u>	<u>21,642</u>	<u>489,988</u>	<u>496,695</u>
Share of support costs (see note 11)	19,670	-	19,670	16,290
Share of governance costs (see note 11)	39,610	-	39,610	52,159
	<u>527,626</u>	<u>21,642</u>	<u>549,268</u>	<u>565,144</u>
For the year ended 31 December 2018				
Unrestricted funds	-	-		537,744
Restricted funds	-	-		27,400
	<u>-</u>	<u>-</u>		<u>565,144</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Support costs

	Support costs	Governance costs	2019	2018	Basis of allocation
	£	£	£	£	
Staff costs	-	31,771	31,771	31,966	Staff time
Insurance	7,233	-	7,233	6,629	Estimated usage
Telephone	12,418	-	12,418	9,446	Estimated usage
Postage and stationery	9,589	-	9,589	11,413	Estimated usage
Audit fees	-	3,420	3,420	3,000	Governance
Accountancy	-	1,440	1,440	1,350	Governance
Legal and professional	-	2,979	2,979	15,843	Governance
	<u>29,240</u>	<u>39,610</u>	<u>68,850</u>	<u>79,647</u>	
Analysed between					
Fundraising	9,570	-	9,570	11,198	
Charitable activities	19,670	39,610	59,280	68,449	
	<u>29,240</u>	<u>39,610</u>	<u>68,850</u>	<u>79,647</u>	

The charity initially identifies the costs of its support facilities. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between expenditure on raising funds and expenditure on charitable activities. Refer to the table above for the basis for apportionment and the analysis of support and governance costs.

12 Net movement in funds

	2019	2018
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	3,420	3,000
Depreciation of owned tangible fixed assets	40,413	47,932
Profit on disposal of tangible fixed assets	(2,905)	-
	<u>40,928</u>	<u>50,932</u>

Fees payable to the company's auditor for other services totalled £1,980 (2018: £3,653).

13 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

There were no trustees' expenses paid for the year ended 31 December 2019 or 2018.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Charitable activities and administration	27	29

Employment costs

	2019 £	2018 £
Wages and salaries	422,226	434,144
Social security costs	25,331	24,911
Other pension costs	12,878	18,011
	<u>460,435</u>	<u>477,066</u>

Included within wages and salaries is £8,196 (2018: £Nil) of redundancy costs.

There were no employees whose annual remuneration was £60,000 or more.

15 Intangible fixed assets

	Fishing rights £
Cost	
At 1 January 2019 and 31 December 2019	1,391
Amortisation and impairment	
At 1 January 2019 and 31 December 2019	-
Carrying amount	
At 31 December 2019	1,391
At 31 December 2018	1,391

The intangible asset relates to professional fees incurred in obtaining fishing rights that were donated to the charity.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2019	1,775,568	1,097,149	154,489	101,608	37,982	50,662	3,217,458
Additions	-	48,669	-	-	-	-	48,669
Disposals	-	-	-	-	-	(9,395)	(9,395)
Transfer	783,192	(1,145,818)	362,626	-	-	-	-
At 31 December 2019	2,558,760	-	517,115	101,608	37,982	41,267	3,256,732
Depreciation and impairment							
At 1 January 2019	112,260	-	98,265	68,672	37,034	27,593	343,824
Depreciation charged in the year	11,504	-	7,569	12,163	924	8,253	40,413
Eliminated in respect of disposals	-	-	-	-	-	(9,305)	(9,305)
At 31 December 2019	123,764	-	105,834	80,835	37,958	26,541	374,932
Carrying amount							
At 31 December 2019	2,434,996	-	411,281	20,773	24	14,726	2,881,800
At 31 December 2018	1,663,308	1,097,149	56,224	32,936	948	23,069	2,873,634

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Stocks

	2019 £	2018 £
Finished goods and goods for resale	729	3,674

18 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	3,774	3,094
Prepayments and accrued income	18,900	35,723
	<u>22,674</u>	<u>38,817</u>

19 Loans and overdrafts

	2019 £	2018 £
Other loans	205,000	5,000
Payable within one year	<u>205,000</u>	<u>5,000</u>

The concessionary loans are interest free and no security has been provided for these loans.

20 Creditors: amounts falling due within one year

	2019 £	2018 £
Concessionary loans	205,000	5,000
Other taxation and social security	5,507	7,312
Trade creditors	4,999	1,700
Other creditors	83	-
Accruals	26,915	154,588
	<u>242,504</u>	<u>168,600</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*****FOR THE YEAR ENDED 31 DECEMBER 2019***

21 Retirement benefit schemes**Defined contribution schemes**

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The pension costs for the year represent the contributions payable by the charity to the independently administered pension fund and amounted to £12,878 (2018: £18,011). There were no unpaid contributions at the year end (2018: £Nil).

The charge to profit or loss in respect of defined contribution schemes was £12,878 (2018 - £18,011).

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				
	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£	£	£	£
Centre building costs	1,623,995	-	-	(11,160)	1,612,835	-	-	(11,160)	1,601,675
Oxygen tank	9,600	-	-	(1,800)	7,800	-	-	(1,800)	6,000
Outreach	3,228	15,638	(15,638)	(1,467)	1,761	1,422	(1,422)	(1,467)	294
Equipment for treatments	24,717	-	-	(8,175)	16,542	220	(220)	(8,118)	8,424
Sunley Suite	28,120	-	-	(1,125)	26,995	-	-	(227)	26,768
Respite care	351	2,300	(2,300)	(312)	39	5,000	(5,000)	(39)	-
Counselling	-	500	(500)	-	-	-	-	-	-
Journey Garden	2,100	-	-	-	2,100	-	-	-	2,100
Hydrotherapy Pool	61,861	208,819	-	-	270,680	16,000	-	-	286,680
Minibus	29,053	10,000	-	(7,263)	31,790	-	(10,000)	(7,263)	14,527
Sensory Room	5,803	-	-	(1,451)	4,352	-	-	(1,451)	2,901
Physiotherapy	-	8,000	(8,000)	-	-	5,000	(5,000)	-	-
Carers Grant	-	962	(962)	-	-	-	-	-	-
Oxygen Generator	-	-	-	-	-	65,000	-	-	65,000
	<u>1,788,828</u>	<u>246,219</u>	<u>(27,400)</u>	<u>(32,753)</u>	<u>1,974,894</u>	<u>92,642</u>	<u>(21,642)</u>	<u>(31,525)</u>	<u>2,014,369</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019**

22 Restricted funds**(Continued)****Transfers between funds**

During the year the trustees approved transfers between restricted and unrestricted funds of £31,525 (2018; £32,753).

The transfers are mainly in relation to a release of restricted funds in line with the current year depreciation charge for restricted assets.

Description nature and purpose of restricted funds*Centre building costs*

Funds raised for the initial building costs in relation to the centre. A transfer is made from these funds each year to cover the depreciation charge on the Freehold Property and Buildings.

Oxygen tank

Funds to provide an additional oxygen tank.

Outreach

Various restricted grants provided for outreach salaries and equipment.

Equipment for treatments

Various restricted grants provided to the charity for the purchase of equipment to be used during the treatments provided to patients.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Restricted funds

(Continued)

Sunley Suite

A change in usage of the Sunley Suite from a conference room to provide a sensory room and three therapy rooms was funded in the main by grants received from the Adrian Swire Charitable Trust, the Big Lottery Fund, Broadmead Trust, Pat Newman Memorial Trust, the Rank Foundation, the Tanner Trust and Thomas J Horne Memorial Trust.

Respite care

Funding provided for salaries and equipment.

Counselling

Funding to provide chairs for use in counselling sessions.

Journey Garden

Grants from the Annet Charitable Trust and the Gardening for Disabled Trust to provide a specially designed garden for the purposes of occupational therapy.

Hydrotherapy Pool (Splash Out Appeal)

Appeal to raise the balance of funding required to build the Hydrotherapy Pool building and fit out.

Minibus

Funding received for the purchase of a minibus.

Sensory Room

Funding towards the building and equipment for a sensory room.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Restricted funds

(Continued)

Physiotherapy

Funding to support provision of physiotherapy sessions.

Carers Grant

Grants from Health and Wellbeing CRCC to provide vouchers for those caring for a person living with MS for therapies.

Oxygen Generator

The Band Trust gave a donation of £65,000 in 2019 to fund the installation of an Oxygen Generator which was installed in January 2020. The Charity now generates its own oxygen and no longer relies on deliveries from an external supplier. This has reduced our running costs, but also our carbon footprint as we no longer rely on fortnightly deliveries.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2018	Resources expended	Transfers	Balance at 1 January 2019	Resources expended	Transfers	Balance at 31 December 2019
	£	£	£	£	£	£	£
Designated fund	1,000,000	-	(1,000,000)	-	-	-	-
General fixed asset fund	63,042	(15,179)	862,977	910,840	(8,888)	32,579	934,531
	<u>1,063,042</u>	<u>(15,179)</u>	<u>(137,023)</u>	<u>910,840</u>	<u>(8,888)</u>	<u>32,579</u>	<u>934,531</u>

General fixed asset fund: this represents fixed assets that are financed through unrestricted funds. Depreciation is charged to this fund.

Designated fund: the trustees designated donations totalling £1,000,000 towards the planned Hydrotherapy Pool building. With the building completed at 31 December 2018, these funds were transferred to the general fixed asset fund as appropriate.

24 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:						
Intangible fixed assets	1,391	-	1,391	1,391	-	1,391
Tangible assets	934,531	1,947,269	2,881,800	910,840	1,962,794	2,873,634
Current assets/ (liabilities)	(188,322)	67,100	(121,222)	11,276	12,100	23,376
	<u>747,600</u>	<u>2,014,369</u>	<u>2,761,969</u>	<u>923,507</u>	<u>1,974,894</u>	<u>2,898,401</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	7,699	8,753
Between two and five years	27,576	28,222
In over five years	-	2,170
	<u>35,275</u>	<u>39,145</u>

26 Capital commitments

At 31 December 2019 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment	37,958	-
	<u>37,958</u>	<u>-</u>

27 Contingent asset

During the year the charity was notified of legacy income. At the date of approval of the financial statements it is not possible to determine a reliable estimate of this income and therefore, no debtor has been included within the financial statements.

28 Events after the reporting date

Since the year end the Covid-19 pandemic became prevalent in the UK and the country entered into lockdown which resulted in the charity temporarily closing the centre. At the date of approval of these financial statements, the Centre has started to reinstate key services, and as a result generate income. A plan has been put into place led by the trustees to ensure future sustainability.

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	41,164	41,764
	<u>41,164</u>	<u>41,764</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

29 Related party transactions

(Continued)

The charity has a policy whereby the trustees are required to declare any pecuniary interests in connection with any personal involvement that they may have with individuals or organisations dealing with the charity.

Dr EJ Campbell, trustee, is also a director of Probus Surgical Centre Ltd. During the year Merlin MS Centre Ltd provided room hire totalling £4,509 (2018: £4,603) to Probus Surgical Centre Ltd on normal commercial terms. £274 (2018: £246) was outstanding at the year end.

Mr ME James, trustee, provided an interest free loan of £25,000 during the year. At the year end £25,000 was outstanding and included in creditors.

The brother of Mr ME James, trustee, provided an interest free loan of £25,000 during the year. At the year end £25,000 was outstanding and included in creditors.

Mr SP Sherrard, trustee, provided an interest free loan of £50,000 during the year. At the year end £50,000 was outstanding and included in creditors.

In 2014 solar panels were purchased and installed at the Merlin MS Centre Ltd. Mr SP Sherrard, Chairman, trustee, provided an interest free loan of £5,000 for this purpose. At the year end £5,000 (2018: £5,000) was outstanding and included in creditors.

30 Analysis of changes in net debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	149,485	(51,606)	97,879
Loans falling due within one year	(5,000)	(200,000)	(205,000)
	<u>144,485</u>	<u>(251,606)</u>	<u>(107,121)</u>

31 Cash generated from operations

	2019 £	2018 £
(Deficit)/surplus for the year	(136,432)	37,871
Adjustments for:		
Investment income recognised in profit or loss	(59)	(2,472)
Gain on disposal of tangible fixed assets	(2,905)	-
Depreciation and impairment of tangible fixed assets	40,413	47,932
Movements in working capital:		
Decrease in stocks	2,945	281
Decrease/(increase) in debtors	16,143	(31,504)
(Decrease)/increase in creditors	(126,096)	1,057
Cash (absorbed by)/generated from operations	<u>(205,991)</u>	<u>53,165</u>