

**Charity Registration No. 1093691**

**Company Registration No. 04460611 (England and Wales)**

**MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Dr EJ Campbell Mr C Clark QC Mrs SJ Coode MBE DL Mr M Gifford Mr AE James Mr MEF James Mr SBB Lawrence Mr DA Perks Mr T Sneddon - Chairman Mr M Ward	(Appointed 26 October 2020)
<b>Secretary</b>	Mr AE James	
<b>Acting Centre manager</b>	Ms S Snell	
<b>Charity number</b>	1093691	
<b>Company number</b>	04460611	
<b>Principal address</b>	Bradbury House Hewas Water ST AUSTELL Cornwall PL26 7JF  <a href="http://www.merlinmscentre.org.uk">www.merlinmscentre.org.uk</a>	
<b>Registered office</b>	Bradbury House Hewas Water ST AUSTELL Cornwall PL26 7JF	
<b>Independent examiner</b>	Mark Williams FCA DChA RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP	
<b>Bankers</b>	Barclays Bank PLC Truro Group 55A Bank Street NEWQUAY Cornwall TR7 1JE	

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# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## LEGAL AND ADMINISTRATIVE INFORMATION

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HSBC Bank PLC  
45 Commercial Street  
CAMBORNE  
Cornwall  
TR14 8AX

Santander PLC  
Milford House  
Pynes Hill  
EXETER  
Devon  
EX2 5THI

### **Solicitors**

Coodes Solicitors  
8 Race Hill  
LAUNCESTON  
Cornwall  
PL15 9BA

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# **MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)**

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# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## CHAIRMAN'S STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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As I write this Chairman's statement in August 2021 my first duty on behalf of Trustees is to thank our management team led by Sarah Snell, our staff and volunteers for the skills, innovations and adaptability they have shown during these quite unprecedented last 18 months. Despite the challenges the Charity has continued to develop new support services and adapt to working within a 'Covid' safe environment.

We are also indebted to our benefactors including generous support from the Elwyn Thomas Memorial Fund who initially provided an emergency COVID-19 grant of £125,000 and a further £200,000 to enable the Charity to repay those people who had loaned the Charity funds to ensure its earlier survival. We sincerely thank them, who through their support and generous loans, enabled the Charity to continue.

Consequently, for the first time in several years the Charity is debt free and able to plan for the future in the knowledge that its finances are now in a more balanced and sustainable position with effective and prudent management of costs aligned to the development of a multi-skilled team of employees and volunteers.

In last year's Annual Report, we indicated our 'near term' strategy as Trustees. The table below demonstrates our progress:-

Improve the Charity's current financial position to one of stability and freedom from debt	
Enable the early re-opening of the Hydrotherapy pool with improved staffing	
Extend and supplement a separate legacy designated to install ground source heating for the hydrotherapy pool to the whole Hewas Water site	Hydrotherapy pool completed; business case for site under review
Refinance outreach and extend day respite services	
Establish an endowment in perpetuity that will provide base income to contribute to operational costs	Still in forward plans when funding available

In the financial year to December 2020 the Charity's income exceeded expenditure by £124,019 compared to an overspend of £136,432 in the year to December 2019. The 2020 surplus is even more significant at 20.7% of the reduced income due to COVID and lockdowns during the year. Donations and legacies accounted for 77% of income (38% in 2019).

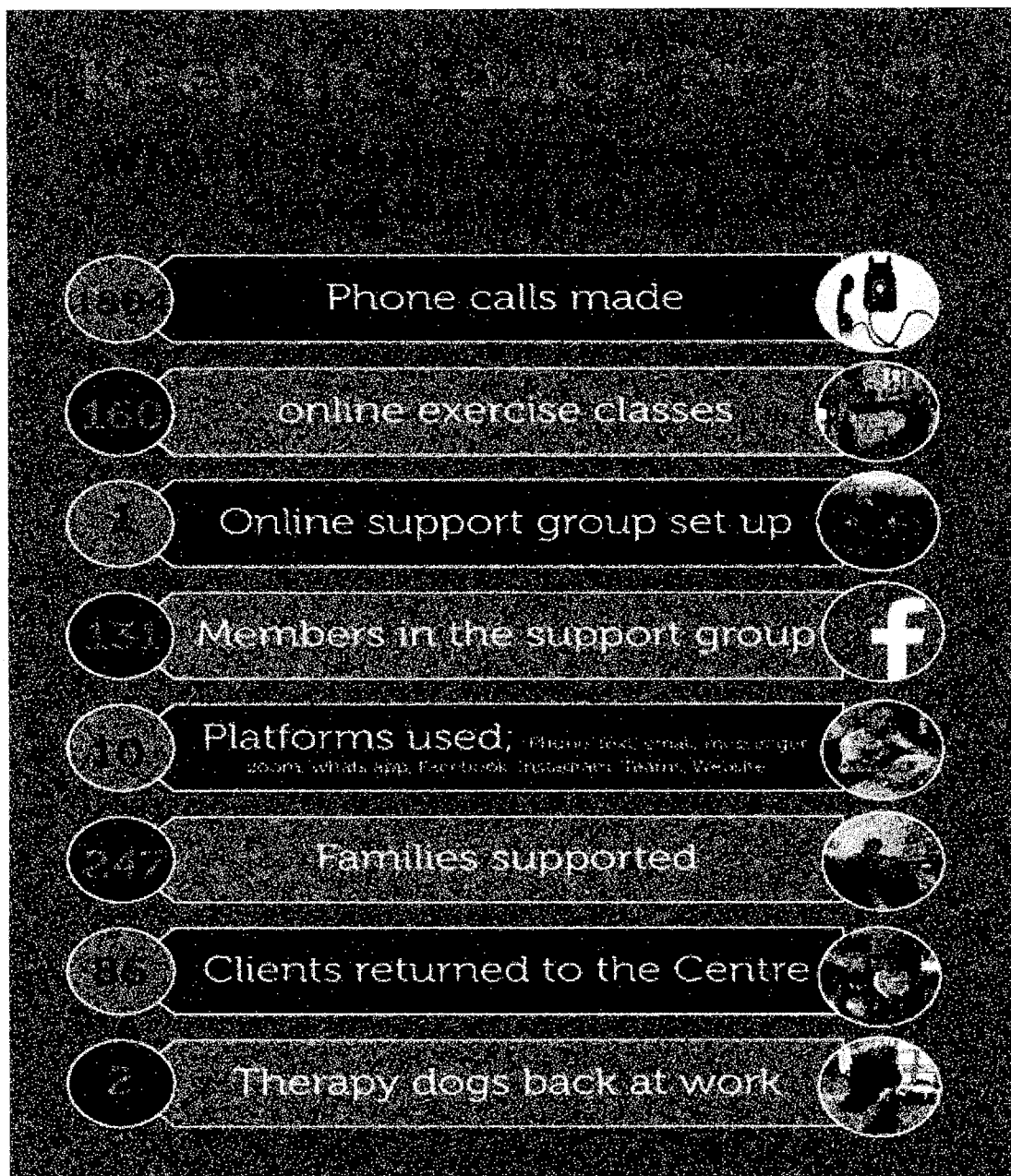
The trend of sound financial management has continued through 2021 with receipts of £135,864 at the half year to June 2021 against revenue expenditure of £155,627 and capital expenditure of £69,389 balanced by gifted shares to the value of approximately £74,000.

In last year's Statement reference was made to the severe impacts of COVID-19 not only on the Charity but in affecting many of those whom we support. As an example of the Charity's innovative approach our 'Keep in Touch' project was launched with the following statistics clearly demonstrating its value connecting with, and supporting, those in our community.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020



The Charity has continued wherever, and whenever, possible to provide safe services for those in need. Moving on from the COVID year 2020 during the first six months of 2021 the gradual re-opening of the Centre is evidenced by these statistics.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## CHAIRMAN'S STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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Activity	2021 to June
People accessing Oxygen	1081
Physio and Exercise Total	710
1:1 therapy	518
Group gym sessions	192
Group attendance with (social distancing)	2 to 4
Total gym by calculation (assume average group)	542
Total Group Attendance	
Total of 'people' interventions or support	Over 2,800

### Current and future developments

The Charity is delighted to have been selected by the St Austell Bay Rotary Club to benefit from a four-year commitment of support. Michael Ward, former President of the Club, has been appointed a Trustee. The Club are generously providing volunteers, raising funds and interested in supporting a major project, yet to be defined.

Trustees and management continue to be optimistic and ambitious in evolving plans for the next few years that will see the Charity extend its services to a wider range of people with neurological conditions who can benefit from the skills, therapies and support of our dedicated staff and volunteers.

As a first step in that direction, services will be extended to provide Sensory Integration Therapy to a client base comprised largely, but not exclusively, of children and young people, with neuro diversities.

This aligns with our strategy to:-

- Expand our reach throughout Cornwall
- Provide a service to younger people with neurological diversity
- Improve utilisation of the Centre when it is not currently open.
- Increase income levels – from client contributions; as a training venue; and from grant funders including potentially Rotary International global grants
- Maximise use of the hydrotherapy pool for this client group when it is re-opened.
- Achieve our strategic objective to be a Centre of excellence in Cornwall providing assessments, therapies, information and support across the ages for all those with neurological conditions.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## CHAIRMAN'S STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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Other developments include:-

- Submission of plans to a potential funder for the creation of a Sensory Therapy Garden adjacent to the Centre. Such a feature will also support our aim of widening the appeal and reach of the Charity to those with neurological and other conditions
- Refurbishment and completion of the Primrose Hydrotherapy pool prior to its planned re-opening in September 2021
- Re-flooring of the Merlin Suite to be used for a wider range of day respite services
- Extending the range of therapies and GP services available from the Centre
- Re-commencing the minibus services to help clients attend the Centre for their needs
- Extending the café hours to provide a welcoming, safe space for our clients
- Potential partnership with a club dedicated to teaching swimming to babies, toddlers and children
- Carrying out a research project to identify where there may be opportunities to expand Merlin services to meet new need whether geographically or in supporting a wider range of conditions
- The Charity will continue to engage where possible in supporting research projects and is currently supporting a study into the benefits of oxygen therapy for those affected by 'long COVID' and the impact of concussion on sports players.

Two long serving Trustees have decided to step down at our AGM. Both have given great service to the Charity through their skills, wisdom and humour. David Perks, our Financial Trustee, has guided the Charity through some difficult waters in the past few years and his sage advice has been of great benefit. Stephen Lawrence has been a Trustee since the start of the Merlin journey and has committed many hours and miles to frequent speaking engagements advocating and educating on the Charity's behalf. We thank them both for all of their commitment and are pleased that Stephen is happy to continue his speaking engagements as required.

I began this Chairman's statement with thanks to our management team and I am going to end with a comment that I believe is true and self-evident in the 'new' Merlin. Trustees and the whole management team are working more harmoniously both individually and through joint Trustee/staff groups focusing on fundraising and income generation; operations and finance and investment. And beyond every successful management team are a group of committed staff and a vital group of dedicated volunteers who give generously of their time to support the Charity in many ways including oxygen therapy, café, reception, fundraising and the list goes on.

Thank you to everyone who has helped Merlin MS Centre Charity in these last 18 months – funders, benefactors, staff, and volunteers. **You** have helped make a real difference to many people's lives.



**T Sneddon**

Chairman

Dated: 22/9/2021



# **MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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)."

#### **Objectives and activities**

The charity's primary tasks are the management of the Centre, delivering a wide range of therapy services, and raising funds not only to keep the facility operational but also to provide financial assistance to those with Multiple Sclerosis who might otherwise be unable to benefit from the therapies.

The objective of the Centre is to offer a range of treatments, orthodox and complementary, known to benefit people suffering from Multiple Sclerosis and practised by properly qualified therapists. These therapies include oxygen treatment, physiotherapy, occupational therapy, podiatry, exercise therapy, reflexology, massage, counselling, and daily respite. A secondary objective is to provide these therapies to individuals with other conditions who can benefit from them. Such conditions would include sports injuries, ME, Parkinson's disease, and other neurological complaints.

An additional objective is to raise the awareness in Cornwall of the needs of those living with Multiple Sclerosis, the profile of the disease and the requirements of the carers of those afflicted with it.

#### **Public benefit**

The trustees have complied with the duty in the Charities Act to have due regard to guidance published by the Charity Commission with respect to the public benefit requirement.

#### **Achievements and performance**

For details of achievements and performance please see the Chairman's Statement.

#### **Financial review**

##### **Reserves policy**

The level of unrestricted general reserves at the year end was a surplus of £20,805 (2019: £186,931 deficit). It is the charity's policy where possible to ring fence bank balances of a least 6 months operating expenses to help ensure the charity's financial position is not unduly compromised. Since the end of the financial year the charity has received £200,000 from the Elwyn Thomas Memorial Fund and all debts have been repaid. It is the Trustees' intention to operate a cash generative budget that will provide a surplus to gradually build up reserves.

##### **Investment Policy**

The charity was gifted a number of shares with a transfer value of approximately £65,000. The Finance and Investment committee and Trustees review the performance of these shares on a regular basis. It is the Trustees' intention to manage these on a low risk basis and where possible gain dividend income to support normal operating expenses.

##### **Plans for the future**

For details of plans for the future please see the Chairman's Statement.

# **MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)**

## **TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Structure, governance and management**

##### **Governing document**

The charity is incorporated as a company limited by guarantee under the provisions of the Companies Act 2006. Its governing constitutional documents are its Memorandum and Articles of Association which are publicly available from the Registrar of Companies via its website.

Members of the charitable company guarantee to contribute an amount not exceeding £10 to the assets of the company in the event of a winding up.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Dr EJ Campbell

Mr C Clark QC

Mrs SJ Coode MBE DL

Mr M Gifford

Mr AE James

Mr MEF James

Mr SBB Lawrence

Mr DA Perks

Mr T Sneddon - Chairman

Mr M Ward

(Appointed 26 October 2020)

##### **Recruitment and appointment of new trustees**

As trustees retire by rotation the charity continues to seek additional trustees with the relevant knowledge and experience to assist in the achievement of the charity's objects.

##### **Organisational structure**

The Centre is run on a day-to-day basis by a Centre Manager appointed by the trustees. The Centre Manager reports to the trustees who continue to have responsibility for policy decisions.

The activities of the charity are also dependent on a large number of volunteers, coordinated by the manager, who are essential in the raising of funds and the operational success of the Centre. Information is disseminated to volunteers and other supporters through regular newsletters and open meetings.

##### **Induction and training of new trustees**

All new trustees are required to familiarise themselves with the charity and its aims and responsibilities, are given guidance and support by existing trustees and are encouraged to learn about the responsibilities of trusteeship through the Charity Commission website.

##### **Wider network**

The charity has informal links with local branches of The Multiple Sclerosis Society and is a member of Multiple Sclerosis National Therapy Centres Ltd and HBOTT.

##### **Related parties**

The only related parties are the trustees and full disclosure has been made in the notes to the financial statements in respect to any related party transactions.

##### **Remuneration policy for key management**

The trustees consider the Centre Manager to comprise the key management personnel of the charity, to be in charge of directing and controlling, running and operating the charity on a day to day basis.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other similar organisations.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the risks, in particular those related to the operations and finances of the charity, and are satisfied that there are adequate systems and controls in place to mitigate the exposure to any major risks.

The trustees' report was approved by the Board of Trustees.



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**Mr T Sneddon - Chairman**

Trustee

Dated: 22/9/2021

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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I report to the trustees on my examination of the financial statements of Merlin MS Centre Ltd (Limited by Guarantee) (the charity) for the year ended 31 December 2020.

#### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

RRL LLP

Mark Williams FCA DChA

RRL LLP  
Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

Dated: 24.9.2021

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Notes							
<b>Income and endowments from:</b>							
Donations and legacies	3	401,233	44,500	445,733	128,030	92,642	220,672
Charitable activities	5	65,958	-	65,958	183,828	-	183,828
Other trading activities	4	68,072	-	68,072	180,965	-	180,965
Investments	6	17	-	17	59	-	59
Other income	7	-	-	-	2,905	-	2,905
<b>Total income</b>		<b>535,280</b>	<b>44,500</b>	<b>579,780</b>	<b>495,787</b>	<b>92,642</b>	<b>588,429</b>
<b>Expenditure on:</b>							
Raising funds	8	84,076	-	84,076	175,593	-	175,593
Charitable activities	9	331,755	43,537	375,292	527,626	21,642	549,268
<b>Total resources expended</b>		<b>415,831</b>	<b>43,537</b>	<b>459,368</b>	<b>703,219</b>	<b>21,642</b>	<b>724,861</b>
Net gains/(losses) on investments	14	3,607	-	3,607	-	-	-
<b>Net incoming/ (outgoing) resources before transfers</b>		<b>123,056</b>	<b>963</b>	<b>124,019</b>	<b>(207,432)</b>	<b>71,000</b>	<b>(136,432)</b>
Gross transfers between funds		44,065	(44,065)	-	31,525	(31,525)	-
<b>Net movement in funds</b>		<b>167,121</b>	<b>(43,102)</b>	<b>124,019</b>	<b>(175,907)</b>	<b>39,475</b>	<b>(136,432)</b>
Fund balances at 1 January 2020		747,600	2,014,369	2,761,969	923,507	1,974,894	2,898,401
<b>Fund balances at 31 December 2020</b>		<b>914,721</b>	<b>1,971,267</b>	<b>2,885,988</b>	<b>747,600</b>	<b>2,014,369</b>	<b>2,761,969</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	15		1,391		1,391
Tangible assets	17		2,854,476		2,881,800
Investments	16		61,297		-
			<u>2,917,164</u>		<u>2,883,191</u>
<b>Current assets</b>					
Stocks	19	2,577		729	
Debtors	20	7,781		22,674	
Cash at bank and in hand		191,443		97,879	
		<u>201,801</u>		<u>121,282</u>	
<b>Creditors: amounts falling due within one year</b>	21	<u>(232,977)</u>		<u>(242,504)</u>	
Net current liabilities			(31,176)		(121,222)
<b>Total assets less current liabilities</b>			<u>2,885,988</u>		<u>2,761,969</u>
<b>Income funds</b>					
Restricted funds	25		1,971,267		2,014,369
<u>Unrestricted funds</u>					
Designated funds	26	893,916		934,531	
General unrestricted funds		<u>20,805</u>		<u>(186,931)</u>	
			<u>914,721</u>		<u>747,600</u>
			<u>2,885,988</u>		<u>2,761,969</u>

# **MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2020**

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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on ....22/9/2021



Mr T Sneddon - Chairman  
**Trustee**

**Company Registration No. 04460611**

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	32		244,563		(205,991)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(68,326)		(48,669)	
Proceeds on disposal of tangible fixed assets		-		2,995	
Purchase of investments		(57,690)		-	
Interest received		17		59	
<b>Net cash used in investing activities</b>			(125,999)		(45,615)
<b>Financing activities</b>					
Receipt/(Repayment) of borrowings		(25,000)		200,000	
<b>Net cash (used in)/generated from financing activities</b>			(25,000)		200,000
<b>Net increase/(decrease) in cash and cash equivalents</b>			93,564		(51,606)
Cash and cash equivalents at beginning of year			97,879		149,485
<b>Cash and cash equivalents at end of year</b>			191,443		97,879



# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

#### Charity information

Merlin MS Centre Ltd (Limited by Guarantee) is a company limited by guarantee incorporated in England and Wales. The registered office is Bradbury House, Hewas Water, ST AUSTELL, Cornwall, PL26 7JF. The liability of each member in the event of winding up is limited to £10.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

For legacies, entitlement is taken as the earlier of:

- The date on which the charity is aware that probate has been granted;
- The executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; or
- When a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Assets for distribution are recognised only when distributed. Assets given for use by the charity are recognised when receivable. Stocks of undistributed donated goods are not valued for balance sheet purposes.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

#### 1.5 Resources expended

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 headlines:

- Costs of raising funds comprise the costs of fundraising and associated support costs;
- Expenditure on charitable activities includes the cost of running the centre to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.6 Intangible fixed assets other than goodwill

Intangible fixed assets are capitalised at cost.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fishing rights	10% on straight line
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##### 1.7 Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	1/3rd of the cost of the property over 50 years
Plant and equipment	5% - 20% straight line
Fixtures and fittings	20% straight line
Computers	33% straight line
Motor vehicles	20% straight line

After considering the residual value and economic life of the property, the trustees have decided that it is representative to continue depreciating one third of the cost of the property over 50 years. This is to reflect consumption of the specific design and construction costs relating to the needs of the charity. The remaining two thirds is not depreciated on the basis that it will hold its value. This assumption will be regularly reviewed by professional surveyors to ensure this is a reliable basis on which to prepare the financial statements.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### 1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

##### 1.9 Borrowing costs related to fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in net income/(expenditure) in the period in which they are incurred.

##### 1.10 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### 1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.13 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

(Continued)

##### 1.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### 1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### 1.16 Concessionary loans

Concessionary loans are loans provided at below market rates and are recognised in the accounts at the amount received with the carrying value adjusted to reflect repayments made in subsequent periods. The only concessionary loans in the accounts are from trustees (see notes 18 and 27) and are interest free.

##### 1.17 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	130,643	-	130,643	73,045	-	73,045
Legacies receivable	133,464	-	133,464	25,383	-	25,383
Grants receivable	137,126	44,500	181,626	29,602	92,642	122,244
	<u>401,233</u>	<u>44,500</u>	<u>445,733</u>	<u>128,030</u>	<u>92,642</u>	<u>220,672</u>

The charity benefits greatly from the involvement and support of its many volunteers, details of which are given in the annual report. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the financial statements.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 3 Donations and legacies

(Continued)

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
<b>Grants receivable for core activities</b>						
Band Trust	-	-	-	-	65,000	65,000
Garfield Weston Foundation	-	-	-	-	10,000	10,000
Cornwall Council Funding - Covid-19 support	17,097	-	17,097	-	-	-
Edward Gostling Foundation	-	14,500	14,500	-	-	-
Duchy Health Charity	5,000	-	5,000	-	1,422	1,422
Thomas J Horne Memorial Trust	8,500	-	8,500	7,500	-	7,500
The Waterloo Foundation	10,000	-	10,000	-	-	-
Cornwall Councillors Community Chest	7,540	-	7,540	-	-	-
National Lottery	8,800	25,000	33,800	-	-	-
HMRC Job Retention Scheme Funding	47,264	-	47,264	-	-	-
Other	32,925	5,000	37,925	22,102	16,220	38,322
	<u>137,126</u>	<u>44,500</u>	<u>181,626</u>	<u>29,602</u>	<u>92,642</u>	<u>122,244</u>

The amounts included in other grants include the following:

£5,000 - Sobell Foundation

£5,000 - Sport England

£3,000 - DWF Charitable Foundation

£5,000 - February Foundation

£2,000 - Vandervell Foundation

£2,000 - Royal Warrant Holders Association

£1,500 - Western Power Distribution

£2,000 - The Tanner Trust

Equal to/less than £1,000 - Various charitable entities, totalling £12,425.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Fundraising events	33,990	94,863
Retail and Café income	18,142	56,508
Corporate room hire	15,940	28,997
Other income	-	597
	<u>68,072</u>	<u>180,965</u>

### 5 Charitable activities

	2020	2019
	£	£
Therapies	61,227	170,741
Therapy room hire	4,731	13,087
	<u>65,958</u>	<u>183,828</u>

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	<u>17</u>	<u>59</u>

### 7 Other income

	Total	Unrestricted funds
	2020	2019
	£	£
Net gain on disposal of tangible fixed assets	<u>-</u>	<u>2,905</u>

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Raising funds

	2020	2019
	£	£
<u>Income generation</u>		
Marketing and publicity	781	2,642
Other fundraising costs	6,908	35,797
Staff costs	69,996	127,584
Support costs	6,391	9,570
	<hr/>	<hr/>
Income generation	84,076	175,593
	<hr/>	<hr/>

The income generation team is responsible for generating funds from a variety of sources, which includes donations, grants, legacies, trading activities and some elements of charitable activities income. Most of the expenditure described under Raising Funds covers salaries. Other expenditure relates to stock for the café; plus merchandise for the retail area, running fundraising events and marketing of services.

### 9 Charitable activities

	2020	2019
	£	£
Staff costs	164,329	301,080
Depreciation and impairment	95,650	40,413
Light and heat	14,423	17,774
Repairs and renewals	20,028	22,803
Subscriptions	1,344	2,975
Cost of provision of subsidised therapy	8,076	74,167
Travel and subsistence	5,170	17,745
Cleaning	4,158	5,814
Rent and rates	4,957	5,069
Bank charges	1,219	2,148
	<hr/>	<hr/>
	319,354	489,988
	<hr/>	<hr/>
Share of support costs (see note 12)	14,456	19,670
Share of governance costs (see note 12)	41,482	39,610
	<hr/>	<hr/>
	375,292	549,268
	<hr/>	<hr/>
<b>Analysis by fund</b>		
Unrestricted funds	331,755	527,626
Restricted funds	43,537	21,642
	<hr/>	<hr/>
	375,292	549,268
	<hr/>	<hr/>



# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

10	Net movement in funds	2020 £	2019 £
	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
	Depreciation of owned tangible fixed assets	95,650	40,413
	Loss/(profit) on disposal of tangible fixed assets	-	(2,905)
		<u>          </u>	<u>          </u>

## 11 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 2020 or 2019.

## 12 Support costs

	Support costs £	Governance costs £	2020 £	2019 £	Basis of allocation
Staff costs	-	29,026	29,026	31,771	Staff time
Insurance	5,289	-	5,289	7,233	Estimated usage
Telephone	9,213	-	9,213	12,418	Estimated usage
Postage and stationery	6,345	-	6,345	9,589	Estimated usage
Audit fees	-	-	-	3,420	Governance
Accountancy	-	2,920	2,920	1,440	Governance
Legal and professional	-	6,726	6,726	2,979	Governance
Independent Examiner's Fees	-	2,810	2,810	-	Governance
	<u>20,847</u>	<u>41,482</u>	<u>62,329</u>	<u>68,850</u>	
Analysed between					
Fundraising	6,391	-	6,391	9,570	
Charitable activities	14,456	41,482	55,938	59,280	
	<u>20,847</u>	<u>41,482</u>	<u>62,329</u>	<u>68,850</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.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 13 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Charitable activities and administration	14	27

#### Employment costs

	2020 £	2019 £
Wages and salaries	244,154	422,226
Social security costs	14,401	25,331
Other pension costs	4,796	12,878
	263,351	460,435

Included within wages and salaries is £10,500 (2019: £Nil) of restructuring costs.

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

### 14 Net gains/(losses) on investments

	Unrestricted funds	Total
	2020 £	2019 £
Revaluation of investments	3,607	-

### 15 Intangible fixed assets

	Fishing rights £
<b>Cost</b>	
At 1 January 2020 and 31 December 2020	1,391
<b>Amortisation and impairment</b>	
At 1 January 2020 and 31 December 2020	-
<b>Carrying amount</b>	
At 31 December 2020	1,391
At 31 December 2019	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 2020**

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### 16 Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 January 2020	-
Additions	57,690
Valuation changes	3,607
	<hr/>
At 31 December 2020	61,297
	<hr/>
<b>Carrying amount</b>	
At 31 December 2020	61,297
	<hr/>
At 31 December 2019	-
	<hr/>

The cost of the above investments as at 31 December 2020 was £57,690.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

17 Tangible fixed assets		Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
		£	£	£	£	£	£
<b>Cost</b>							
At 1 January 2020		2,558,760	517,115	101,608	37,982	41,267	3,256,732
Additions		6,362	60,964	1,000	-	-	68,326
At 31 December 2020		2,565,122	578,079	102,608	37,982	41,267	3,325,058
<b>Depreciation and Impairment</b>							
At 1 January 2020		123,764	105,834	80,835	37,958	26,541	374,932
Depreciation charged in the year		27,295	49,056	11,814	24	7,461	95,650
At 31 December 2020		151,059	154,890	92,649	37,982	34,002	470,582
<b>Carrying amount</b>							
At 31 December 2020		2,414,063	423,189	9,959	-	7,265	2,854,476
At 31 December 2019		2,434,996	411,281	20,773	24	14,726	2,881,800

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>18</b>	<b>Financial instruments</b>	<b>2020</b>	<b>2019</b>
		£	£
	<b>Carrying amount of financial assets</b>		
	Instruments measured at fair value through profit or loss	61,297	-
<b>19</b>	<b>Stocks</b>	<b>2020</b>	<b>2019</b>
		£	£
	Finished goods and goods for resale	2,577	729
<b>20</b>	<b>Debtors</b>	<b>2020</b>	<b>2019</b>
		£	£
	<b>Amounts falling due within one year:</b>		
	Trade debtors	3,888	3,774
	Other debtors	3,000	-
	Prepayments and accrued income	893	18,900
		7,781	22,674
<b>21</b>	<b>Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
		£	£
	Concessionary loans	180,000	205,000
	Other taxation and social security	21,101	5,507
	Trade creditors	4,864	4,999
	Other creditors	97	83
	Accruals	26,915	26,915
		232,977	242,504
<b>22</b>	<b>Loans and overdrafts</b>	<b>2020</b>	<b>2019</b>
		£	£
	Other loans	180,000	205,000
	Payable within one year	180,000	205,000

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

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 23 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 £4,796 (2019: £12,878). There were no unpaid contributions at the year end (2019: £Nil).

The charge to profit or loss in respect of defined contribution schemes was £4,796 (2019: £12,878).

#### 24 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Intangible fixed assets	1,391	-	1,391	1,391	-	1,391
Tangible assets	890,309	1,964,167	2,854,476	934,531	1,947,269	2,881,800
Investments	61,297	-	61,297	-	-	-
Current assets/ (liabilities)	(38,276)	7,100	(31,176)	(188,322)	67,100	(121,222)
	<u>914,721</u>	<u>1,971,267</u>	<u>2,885,988</u>	<u>747,600</u>	<u>2,014,369</u>	<u>2,761,969</u>

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 25 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:

	Balance at 1 January 2019 £	Movement in funds			Balance at 1 January 2020 £	Movement in funds			Balance at 31 December 2020 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Centre building costs	1,612,835	-	-	(11,160)	1,601,675	-	-	(11,160)	1,590,515
Oxygen tank	7,800	-	-	(1,800)	6,000	-	-	(4,800)	1,200
Outreach	1,761	1,422	(1,422)	(1,467)	294	-	-	(294)	-
Equipment for treatments	16,542	220	(220)	(8,118)	8,424	-	-	(8,116)	308
Sunley Suite	26,995	-	-	(227)	26,768	-	-	(183)	26,585
Respite Care	39	5,000	(5,000)	(39)	-	5,000	(5,000)	-	-
Journey Garden	2,100	-	-	-	2,100	-	-	-	2,100
Hydrotherapy Pool	270,680	16,000	-	-	286,680	-	-	(7,750)	278,930
Minibus	31,790	-	(10,000)	(7,263)	14,527	-	-	(7,263)	7,264
Sensory Room	4,352	-	-	(1,451)	2,901	-	-	(1,451)	1,450
Physiotherapy	-	5,000	(5,000)	-	-	-	-	-	-
Oxygen Generator	-	-	-	-	65,000	-	(4,037)	(3,048)	57,915
National Lottery Grant	-	-	-	-	-	25,000	(25,000)	-	-
Edward Gostling Foundation	-	-	-	-	-	14,500	(9,500)	-	5,000
	1,974,894	92,642	(21,642)	(31,525)	2,014,369	44,500	(43,537)	(44,065)	1,971,267

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

25	Restricted funds	(Continued)
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	<b>Transfers between funds</b>	
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	During the year the trustees approved transfers between restricted and unrestricted funds of £44,065 (2019: £31,525).	
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	The transfers are mainly in relation to a release of restricted funds in line with the current year depreciation charge for restricted assets.	
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	<b>Description nature and purpose of restricted funds</b>	
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	<i>Centre building costs</i>	
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	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.	
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	<i>Oxygen tank</i>	
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	Funds to provide an additional oxygen tank.	
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	<i>Outreach</i>	
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	Various restricted grants provided for outreach salaries and equipment.	
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	<i>Equipment for treatments</i>	
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	Various restricted grants provided to the charity for the purchase of equipment to be used during the treatments provided to patients.	
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# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

25	Restricted funds	(Continued)
	<i>Sunley Suite</i>	
	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 Home Memorial Trust.	
	<i>Respite care</i>	
	Funding provided for salaries and equipment.	
	<i>Counselling</i>	
	Funding to provide chairs for use in counselling sessions.	
	<i>Journey Garden</i>	
	Grants from the Annet Charitable Trust and the Gardening for Disabled Trust to provide a specially designed garden for the purposes of occupational therapy.	
	<i>Hydrotherapy Pool (Splash Out Appeal)</i>	
	Appeal to raise the balance of funding required to build the Hydrotherapy Pool building and fit out.	
	<i>Minibus</i>	
	Funding received for the purchase of a minibus.	
	<i>Sensory Room</i>	
	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 2020

25 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.

#### *National Lottery*

Funding received to support the charity during the Covid-19 pandemic.

#### *Edward Gosling Foundation*

Funding received to support the Keep in Touch service.

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 26 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 2019	Resources expended	Transfers	Balance at 1 January 2020	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2020
	£	£	£	£	£	£	£	£
General fixed asset fund	910,840	(8,888)	32,579	934,531	(51,585)	7,363	-	890,309
Fair value reserve	-	-	-	-	-	-	3,607	3,607
	910,840	(8,888)	32,579	934,531	(51,585)	7,363	3,607	893,916

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

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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<b>27 Capital commitments</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>

At 31 December 2020 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>          </u>	<u>          </u>

## **28 Contingent asset**

During the previous year the charity was notified of legacy income and an interim distribution of £125,000 was received during the year. At the date of approval of the financial statements it is not possible to determine a reliable estimate of the remaining income and therefore, no debtor has been included within the financial statements.

## **29 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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	7,501	7,699
Between two and five years	20,075	27,576
	<u>          </u>	<u>          </u>
	27,576	35,275
	<u>          </u>	<u>          </u>

## **30 Related party transactions**

### **Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	33,641	41,164
	<u>          </u>	<u>          </u>

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.

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

# MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 31 Analysis of changes in net funds/(debt)

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	97,879	93,564	191,443
Loans falling due within one year	(205,000)	25,000	(180,000)
	<u>(107,121)</u>	<u>118,564</u>	<u>11,443</u>

### 32 Cash generated from operations

	2020 £	2019 £
Surplus/(deficit) for the year	124,019	(136,432)
Adjustments for:		
Investment income recognised in profit or loss	(17)	(59)
Gain on disposal of tangible fixed assets	-	(2,905)
Fair value gains and losses on investments	(3,607)	-
Depreciation and impairment of tangible fixed assets	95,650	40,413
Movements in working capital:		
(Increase)/decrease in stocks	(1,848)	2,945
Decrease in debtors	14,893	16,143
Increase/(decrease) in creditors	15,473	(126,096)
<b>Cash generated from/(absorbed by) operations</b>	<u><b>244,563</b></u>	<u><b>(205,991)</b></u>