

Charity Registration No. 1093691

Company Registration No. 04460611 (England and Wales)

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr SP Sherrard DL - Chairman
	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
Secretary	Mr AE James
Centre manager	Mrs A Timmins
Charity number	1093691
Company number	04460611
Principal address	Bradbury House Hewas Water ST AUSTELL Cornwall PL26 7JF
	www.merlinmscentre.org.uk
Registered office	Bradbury House Hewas Water ST AUSTELL Cornwall PL26 7JF
Auditor	RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP
Bankers	Barclays Bank PLC Truro Group 55A Bank Street NEWQUAY Cornwall TR7 1JE
	HSBC Bank PLC 45 Commercial Street CAMBORNE Cornwall TR14 8AX

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Santander PLC
Milford House
Pynes Hill
EXETER
Devon
EX2 5TH

Solicitors

Coodes Solicitors
8 Race Hill
LAUNCESTON
Cornwall
PL15 9BA

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2018

Chairman's Report

2018 was an exciting year for the Merlin MS Centre as we started the construction of the hydrotherapy pool, but it ended on a disappointing note with the pool building suffering from building issues which are only now, at the end of April, being resolved.

On a positive note the traditional services that the Charity offers continued to be in demand with a record number of people undertaking the various therapies. Indeed, the Centre welcomed over 500 service users during the year and there were 10,750 therapy sessions delivered. Additionally, the day respite service increased from two to three days per week thanks to a generous donation and the outreach programme in Hayle and Bodmin continued to be well supported.

The main focus of the year was of course the construction programme which proceeded satisfactorily until the autumn when delays started to emerge. Although the pool was handed over to us on December 21st it soon became apparent that it could not be used owing to ventilation, condensation and water ingress problems. This not only resulted in a significant potential loss of income but also to substantial extra costs as we had created an organisational structure and carried out staff training assuming the pool would be operational from early November 2018. The original completion date was October and we anticipated it taking another few weeks for internal furnishings and set up. This has had a serious adverse financial effect which will obviously be a matter for discussion with the contractors.

The net effect of this is that the financial buffer which should have been available to fund the running costs of the pool during the first 12 months of operation has been dissipated and the trustees are having to deal with the financial difficulties that this has created.

As a result of these problems the income during 2018, which was not designated for the pool project, failed to cover costs by approximately £148,000 and the management is now focusing on creating a balanced position.

Our income generation team worked hard during the year with funds generated from fundraising events, community activities, retail and room hire. A significant £283,509 was raised from grants, the majority of which were for the hydrotherapy pool project. In addition, we were fortunate to have been the nominated charity for the UK's largest charity garden opening at Tregothnan in April and the Cornwall and Devon Countryman's Fair in August.

During the year we increased the number of volunteers from 80 to 130 – they not only support the day to day operation, but also help with fundraising in the community. In 2018 we introduced our Welfare Support Volunteer. In total our volunteers gave an incredible 15,000 hours and we were delighted to win the Volunteer Cornwall Host of the Year Award. Our transport service is run by volunteer drivers and they clocked up 30,000 miles bringing clients to and from the Centre. A major highlight was the setting up of a new café, staffed entirely by volunteers which has had a most successful first year. Without our volunteers we could not run the Centre - we are most grateful to them all.

During the year we welcomed over 100 health professionals that run clinics from the Centre including Probus GP Surgery, the MS Nurse clinic, retinal eye screening and orthotic and podiatry clinics – the hire of rooms for the clinics contributes to our income.

At the year-end Loraine Long retired having spent 10 years as Centre Manager. Loraine joined the charity before the Centre was opened and what we have today is testament to her hard work and commitment and we are most grateful to her. We welcome Alana Timmins as the new Centre Manager and wish her well in her new position. We also said goodbye to Sue Walkley who retired as Manager of the oxygen therapy department after 8 very successful years.

2019 will be a difficult financial year for the charity as a result of the overrun in costs for the hydrotherapy pool. However, we continue in the knowledge that the Charity offers a vital and valuable service to so many people in Cornwall living with long-term neurological conditions, helping to improve quality of life and well-being and reducing isolation and loneliness as well as providing numerous volunteer opportunities. I have no doubt that the entire Merlin community will rally round to see us through this period.

Mr SP Sherrard DL
Chairman

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees present their report and financial statements for the year ended 31 December 2018.

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)" (as amended for accounting periods commencing from 1 January 2016).

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.

Significant activities

The principal work of the charity during the year was to ensure that the Centre was appropriately staffed and successfully managed and to promote fundraising events. In addition, numerous applications were made to grant giving organisations and charitable trusts in furtherance of the charity's objectives.

The daily operation of the Centre is also focusing on social inclusion therapy which has included art and music workshops. Support has also been provided to those who are struggling with the benefit system through an advocacy service.

In addition to this we provide weekly outreach clinics in Bodmin and Hayle, where those living in rural areas can access Physiotherapy, exercise and massage.

The oxygen treatment department has seen a significant rise in those using this therapy for non-neurological conditions.

During the year, construction of a new Hydrotherapy pool within the grounds of the existing Centre began. This was predominantly funded by a £1 million donation and additional grants.

The charity employs five members of staff living with either MS or other long-term conditions.

As the complexities of the charity's activities have evolved attention has been paid by the trustees to ensure that the administration and management processes are fit for purpose.

The Centre Manager Loraine Long who had led the Merlin MS Centre for 10 years retired at the end of 2018. A new Centre Manager Alana Timmins was appointed in November 2018.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2018

Volunteers

Many of the charity's supporters, who either live with MS or care for people with the condition, have contributed considerable time and effort in fundraising and other income generation activities. Several volunteers have helped support an excellent level of service in the Centre and run the community transport service and cafe.

The trustees are keen to expand the number of volunteers, particularly amongst those members of the population affected by conditions other than MS who can benefit from the Centre's therapies. In 2018 15,000 working hours were donated by volunteers.

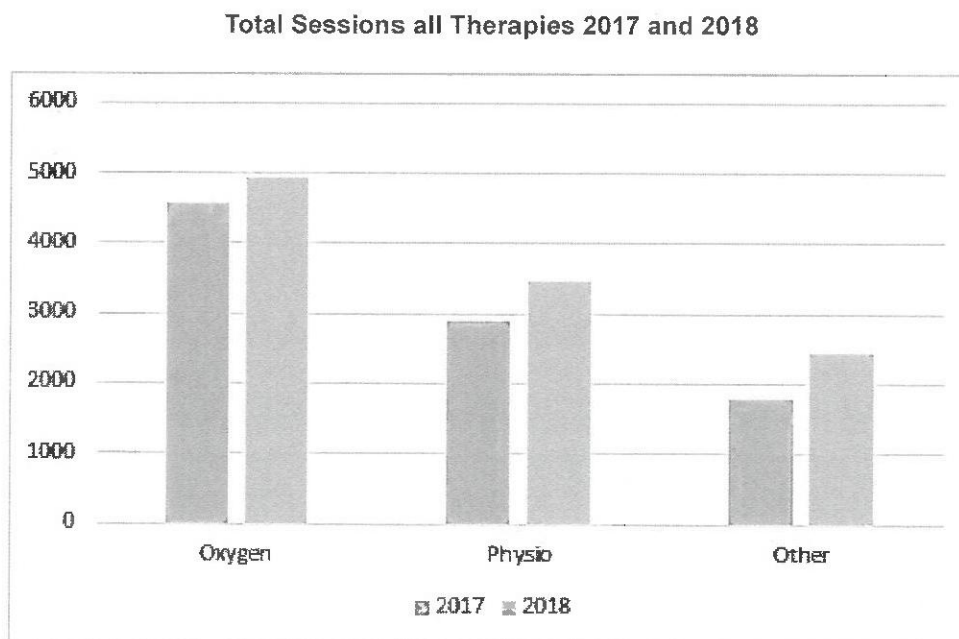
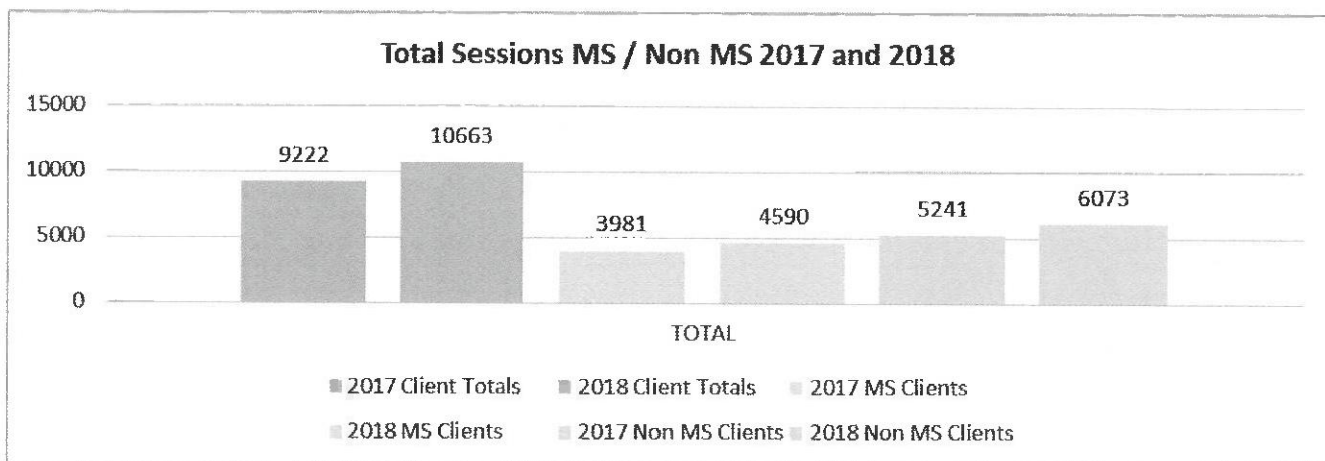
MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2018

Achievements and performance

The Centre continues to receive new enquiries for the services on offer. During 2018 325 inductions on new clients were completed and 10,842 therapy sessions were provided in the year.



The graph above shows the number of sessions provided against the previous year

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2018

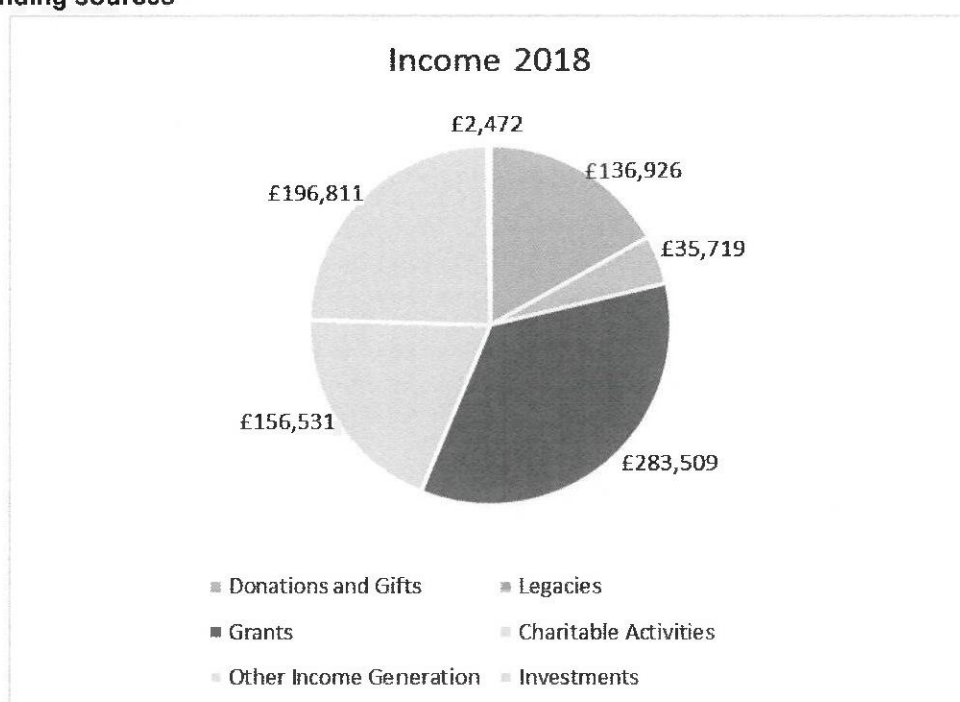
Financial review

Reserves policy

The current value of freehold property is ring fenced within the financial statements as a restricted fund.

The level of unrestricted general reserves at the year end was £12,667 (2017: £8,660). 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. This reserve has yet to be created owing to lack of funding. This will be remedied once sufficient funds surplus to operating costs have been raised.

Principal funding sources



Funding sources range from individual donations, fundraising events, commercial activities, the contribution service users make for therapies (charges) and community support. In 2018 we opened a new cafe run entirely by volunteers. The Charity also receives income from grants and gifts in wills.

Trustees assessment of going concern

In 2018 the trustees continued to oversee the actions implemented in the previous year to endeavour to align expenditure with income. The charity subsidises therapies for those with MS and their primary carer by up to 50%. During 2018 the salary cost included posts specifically funded by grants to enable us to provide additional services in physiotherapy, outreach and respite. This equated to £45,000.

Plans for the future

The objectives in 2019 are to ensure continued sustainability through focusing on a wide range of income generation activities; to provide an additional service through the new Hydrotherapy facility for both Centre users and the wider community; to seek collaborative working partnerships with both the NHS and other providers.

Emphasis this year will be on donor development and encouraging our supporters to remember the Merlin MS Centre through a gift in their will.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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:

Mr SP Sherrard DL - Chairman

Dr EJ Campbell

Mr C Clark QC

Mrs SJ Coode MBE DL

Mr MJ Ford

(Resigned 26 November 2018)

Mr M Gifford

Mr AE James

Mr MEF James

Mr SBB Lawrence

Mr DA Perks

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 manager appointed by the trustees. The 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 2018

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.

Auditor

In accordance with the company's articles, a resolution proposing that RRL LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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



Mr SP Sherrard DL

Trustee

Dated: 10.5.19

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees, who are also the directors of Merlin MS Centre Ltd (Limited by Guarantee) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Merlin MS Centre Ltd (Limited by Guarantee) (the 'charity') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Williams

Mark Williams (Senior Statutory Auditor)
for and on behalf of RRL LLP

26 June 2019

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £
Income from:							
Donations and legacies	3	209,935	246,219	456,154	102,728	123,692	226,420
Charitable activities	4	156,531	-	156,531	131,275	-	131,275
Other trading activities	5	196,811	-	196,811	146,540	-	146,540
Investments	6	2,472	-	2,472	6,010	-	6,010
Total income		565,749	246,219	811,968	386,553	123,692	510,245
Expenditure on:							
Raising funds	7	208,953	-	208,953	113,234	-	113,234
Charitable activities	8	537,744	27,400	565,144	532,109	34,420	566,529
Total resources expended		746,697	27,400	774,097	645,343	34,420	679,763
Net (outgoing)/ incoming resources before transfers		(180,948)	218,819	37,871	(258,790)	89,272	(169,518)
Gross transfers between funds		32,753	(32,753)	-	38,407	(38,407)	-
Net (expenditure)/income for the year/ Net movement in funds		(148,195)	186,066	37,871	(220,383)	50,865	(169,518)
Fund balances at 1 January 2018		1,071,702	1,788,828	2,860,530	1,292,085	1,737,963	3,030,048
Fund balances at 31 December 2018		923,507	1,974,894	2,898,401	1,071,702	1,788,828	2,860,530

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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	13		1,391		1,391
Tangible assets	14		2,873,634		1,902,066
			<u>2,875,025</u>		<u>1,903,457</u>
Current assets					
Stocks	16	3,674		3,955	
Debtors	17	38,817		7,313	
Cash at bank and in hand		149,485		967,660	
			<u>191,976</u>		<u>978,928</u>
Creditors: amounts falling due within one year	19		<u>(168,600)</u>		<u>(16,855)</u>
Net current assets			23,376		962,073
Total assets less current liabilities			<u>2,898,401</u>		<u>2,865,530</u>
Creditors: amounts falling due after more than one year	20		-		(5,000)
Net assets			<u><u>2,898,401</u></u>		<u><u>2,860,530</u></u>
Income funds					
Restricted funds	22		1,974,894		1,788,828
<u>Unrestricted funds</u>					
Designated funds	23	910,840		1,063,042	
General unrestricted funds		12,667		8,660	
			<u>923,507</u>		<u>1,071,702</u>
			<u><u>2,898,401</u></u>		<u><u>2,860,530</u></u>

These financial statements are prepared in accordance with special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual financial statements required by the Companies Act 2006 and are for circulation to the members of the company.

The financial statements were approved by the Trustees on 10-05-19


 Mr SP Sherrard DL
 Trustee

Company Registration No. 04460611

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	28		53,165		709
Investing activities					
Purchase of tangible fixed assets		(868,812)		(169,279)	
Interest received		2,472		6,010	
Net cash used in investing activities			(866,340)		(163,269)
Financing activities					
Repayment of borrowings		(5,000)		(5,000)	
Net cash used in financing activities			(5,000)		(5,000)
Net decrease in cash and cash equivalents			(818,175)		(167,560)
Cash and cash equivalents at beginning of year			967,660		1,135,220
Cash and cash equivalents at end of year			149,485		967,660

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2015. 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 2018

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 2018

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	10% straight line and 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 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).

1.9 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.

1.10 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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.11 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.

1.12 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.

1.13 Retirement benefits

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

1.14 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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.15 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
	2018 £	2018 £	2018 £	2017 £	2017 £	2017 £
Donations and gifts	136,926	-	136,926	54,221	4,361	58,582
Legacies receivable	35,719	-	35,719	-	-	-
Grants receivable	37,290	246,219	283,509	48,507	119,331	167,838
	<u>209,935</u>	<u>246,219</u>	<u>456,154</u>	<u>102,728</u>	<u>123,692</u>	<u>226,420</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 2018

3 Donations and legacies

(Continued)

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Grants receivable for core activities						
ACT Foundation	-	10,000	10,000	-	-	-
The Albert Hunt Trust	5,000	-	5,000	-	10,000	10,000
Awards for All	-	10,000	10,000	-	10,000	10,000
Band Trust	-	15,000	15,000	-	-	-
Duchy Health Charity	-	15,638	15,638	-	-	-
Bernard Sunley	-	25,000	25,000	-	-	-
Clare Milne Foundation	-	28,819	28,819	-	40,000	40,000
Garfield Weston Foundation	-	30,000	30,000	-	-	-
Mark Benevolent Fund	-	-	-	-	43,791	43,791
Clothworkers' Foundation	-	100,000	100,000	-	-	-
Other	32,290	11,762	44,052	48,507	15,540	64,047
	<u>37,290</u>	<u>246,219</u>	<u>283,509</u>	<u>48,507</u>	<u>119,331</u>	<u>167,838</u>

The amounts included in other grants include the following:

£1,460 - Respite equipment and supplies

£1,500 - PWCF grant

£2,000 - Winnifred Potter Charitable Trust

£2,000 - Bothwell general grant

£2,000 - Vandervell Foundation

£2,000 - The Roger Vere Foundation

£2,200 - Community Transport grants from Town Councillors

£2,500 - Tintagel Freemasons

£3,000 - Tanner Trust

£5,000 - February Foundation

£7,500 - Thomas J Horne Memorial Trust

Equal to/less than £1,000 - Various charitable entities, totalling £12,892.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Charitable activities

	2018 £	2017 £
Therapies	143,908	116,181
Therapy room hire	12,623	15,094
	<u>156,531</u>	<u>131,275</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2018 £	2017 £
Fundraising events	121,443	102,563
Retail and Café income	42,342	13,199
Corporate room hire	29,633	28,016
Other income	3,393	2,762
Other trading activities	<u>196,811</u>	<u>146,540</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2018 £	2017 £
Interest receivable	<u>2,472</u>	<u>6,010</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Raising funds

	2018	2017
	£	£
<u>Income generation</u>		
Marketing and publicity	4,763	2,769
Other fundraising costs	45,842	19,850
Staff costs	147,150	78,836
Support costs	11,198	11,779
Income generation	<u>208,953</u>	<u>113,234</u>

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 but includes some staff roles that were in post, but were not included in this line in 2017. Other expenditure relates to stock for the café which was not set up in 2017; plus merchandise for the retail area, running fundraising events and marketing of services.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Charitable activities

	2018 £	2017 £
Staff costs	297,950	260,107
Depreciation and impairment	47,932	67,825
Light and heat	8,588	6,242
Repairs and renewals	28,525	18,555
Subscriptions	1,591	1,165
Cost of provision of subsidised therapy	83,560	132,765
Travel and subsistence	19,630	17,304
Cleaning	6,464	7,038
Rent and rates	533	1,080
Bank charges	1,922	1,637
	<u>496,695</u>	<u>513,718</u>
Share of support costs (see note 9)	16,290	14,710
Share of governance costs (see note 9)	52,159	38,101
	<u>565,144</u>	<u>566,529</u>
Analysis by fund		
Unrestricted funds	537,744	532,109
Restricted funds	27,400	34,420
	<u>565,144</u>	<u>566,529</u>

Of the above staff costs, £45,000 (2017: £26,945) has been funded through grants.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Support costs

	Support costs £	Governance costs £	2018 £	2017 £	Basis of allocation
Staff costs	-	31,966	31,966	29,632	Staff time
Insurance	6,629	-	6,629	5,916	Estimated usage
Telephone	9,446	-	9,446	8,624	Estimated usage
Postage and stationery	11,413	-	11,413	11,949	Estimated usage
Audit fees	-	3,000	3,000	2,820	Governance
Accountancy	-	1,350	1,350	1,200	Governance
Legal and professional	-	15,843	15,843	4,449	Governance
	<u>27,488</u>	<u>52,159</u>	<u>79,647</u>	<u>64,590</u>	
Analysed between					
Fundraising	11,198	-	11,198	11,779	
Charitable activities	16,290	52,159	68,449	52,811	
	<u>27,488</u>	<u>52,159</u>	<u>79,647</u>	<u>64,590</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.

10 Net movement in funds

	2018 £	2017 £
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	3,000	2,820
Depreciation of owned tangible fixed assets	<u>47,932</u>	<u>67,825</u>

Fees payable to the company's auditor for other services totalled £3,653 (2017: £2,202).

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 2018 or 2017.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Charitable activities and administration	29	24

Employment costs

	2018 £	2017 £
Wages and salaries	434,144	335,349
Social security costs	24,911	19,156
Other pension costs	18,011	14,070
	477,066	368,575

Expenditure on staff salaries is equal to 21 full time staff members. In 2018 the charity received £45,000 from grant funding towards the overall cost. The Centre requires the equivalent of 4 full time members of staff to run it and provide admin support. A further full time equivalent is required for cleaning and caretaking duties. Clinical and therapy services are provided by the equivalent of 9 full time staff members. The income generation and marketing team has the equivalent of 7 full time staff members and they generated income of £417,870 in 2018.

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

13 Intangible fixed assets

	Fishing rights £
Cost	
At 1 January 2018 and 31 December 2018	1,391
Amortisation and impairment	
At 1 January 2018 and 31 December 2018	-
Carrying amount	
At 31 December 2018	1,391
At 31 December 2017	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 2018

14	Tangible fixed assets								
		Freehold land and buildings	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total	
		£	£	£	£	£	£	£	
Cost									
At 1 January 2018		1,775,568	114,157	129,275	90,314	37,982	50,662	2,197,958	
Additions		-	982,992	25,214	11,294	-	-	1,019,500	
At 31 December 2018		1,775,568	1,097,149	154,489	101,608	37,982	50,662	3,217,458	
Depreciation and impairment									
At 1 January 2018		100,756	-	89,473	56,585	31,617	17,461	295,892	
Depreciation charged in the year		11,504	-	8,792	12,087	5,417	10,132	47,932	
At 31 December 2018		112,260	-	98,265	68,672	37,034	27,593	343,824	
Carrying amount									
At 31 December 2018		1,663,308	1,097,149	56,224	32,936	948	23,069	2,873,634	
At 31 December 2017		1,674,812	114,157	39,802	33,729	6,365	33,201	1,902,066	

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

15	Financial instruments	2018	2017
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	3,094	3,942
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	161,288	15,647
		<u> </u>	<u> </u>
16	Stocks	2018	2017
		£	£
	Finished goods and goods for resale	3,674	3,955
		<u> </u>	<u> </u>
17	Debtors	2018	2017
		£	£
	Amounts falling due within one year:		
	Trade debtors	3,094	3,942
	Prepayments and accrued income	35,723	3,371
		<u> </u>	<u> </u>
		38,817	7,313
		<u> </u>	<u> </u>
18	Loans and overdrafts	2018	2017
		£	£
	Other loans	5,000	10,000
		<u> </u>	<u> </u>
	Payable within one year	5,000	5,000
	Payable after one year	-	5,000
		<u> </u>	<u> </u>

The concessionary loans are interest free and are due for redemption on 1 March 2019.

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 2018

19 Creditors: amounts falling due within one year

	2018 £	2017 £
Concessionary loans	5,000	5,000
Other taxation and social security	7,312	6,208
Trade creditors	1,700	1,026
Accruals	154,588	4,621
	<u>168,600</u>	<u>16,855</u>

20 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Borrowings	-	5,000
	<u>-</u>	<u>5,000</u>

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 £18,011 (2017: £14,070). There were no unpaid contributions at the year end (2017: £Nil).

The charge to profit or loss in respect of defined contribution schemes was £18,011 (2017 - £14,070).

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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:

	Balance at 1 January 2017	Movement in funds		Transfers	Balance at 1 January 2018	Movement in funds		Transfers	Balance at 31 December 2018
	£	Incoming resources	Resources expended	£	£	Incoming resources	Resources expended	£	£
Centre building costs	1,635,155	-	-	(11,160)	1,623,995	-	-	(11,160)	1,612,835
Oxygen tank	11,400	-	-	(1,800)	9,600	-	-	(1,800)	7,800
Outreach	22,395	-	(17,700)	(1,467)	3,228	15,638	(15,638)	(1,467)	1,761
Equipment for treatments	37,005	5,040	(3,500)	(13,828)	24,717	-	-	(8,175)	16,542
Sunley Suite	29,245	-	-	(1,125)	28,120	-	-	(1,125)	26,995
Respite care	663	-	-	(312)	351	2,300	(2,300)	(312)	39
Counselling	-	-	-	-	-	500	(500)	-	-
Journey Garden	2,100	-	-	-	2,100	-	-	-	2,100
Hydrotherapy Pool	-	61,861	-	-	61,861	208,819	-	-	270,680
Minibus	-	46,537	(10,220)	(7,264)	29,053	10,000	-	(7,263)	31,790
Sensory Room	-	7,254	-	(1,451)	5,803	-	-	(1,451)	4,352
Physiotherapy	-	-	-	-	-	8,000	(8,000)	-	-
Carers Grant	-	3,000	(3,000)	-	-	962	(962)	-	-
	1,737,963	123,692	(34,420)	(38,407)	1,788,828	246,219	(27,400)	(32,753)	1,974,894

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

22 Restricted funds

(Continued)

Transfers between funds

During the year the trustees approved transfers between restricted and unrestricted funds of £32,753 (2017; £38,407).

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 2018

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 Home 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 2018

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.

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 2017	Resources expended	Transfers 1 January 2018	Balance at 1 January 2018	Resources expended	Transfers	Balance at 31 December 2018
	£	£	£	£	£	£	£
Designated fund	1,000,000	-	-	1,000,000	-	(1,000,000)	-
General fixed asset fund	85,449	(26,607)	4,200	63,042	(15,179)	862,977	910,840
	1,085,449	(26,607)	4,200	1,063,042	(15,179)	(137,023)	910,840

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 near completion at 31 December 2018, these funds have been transferred to the general fixed asset fund as appropriate.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

24 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2018	2018	2018	2017	2017	2017
	£	£	£	£	£	£
Fund balances at 31 December 2018 are represented by:						
Intangible fixed assets	1,391	-	1,391	1,391	-	1,391
Tangible assets	910,840	1,962,794	2,873,634	177,199	1,724,867	1,902,066
Current assets/ (liabilities)	11,276	12,100	23,376	898,112	63,961	962,073
Long term liabilities	-	-	-	(5,000)	-	(5,000)
	<u>923,507</u>	<u>1,974,894</u>	<u>2,898,401</u>	<u>1,071,702</u>	<u>1,788,828</u>	<u>2,860,530</u>

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:

	2018 £	2017 £
Within one year	8,753	7,533
Between two and five years	28,222	26,555
In over five years	2,170	8,673
	<u>39,145</u>	<u>42,761</u>

26 Contingent asset

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

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>41,764</u>	<u>38,782</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

27 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 £4,603 (2017: £3,634) to Probus Surgical Centre Ltd on normal commercial terms. £246 (2017: £237) was outstanding at the year end.

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 (2017: £5,000) was outstanding and included in creditors.

28 Cash generated from operations

	2018 £	2017 £
Surplus/(deficit) for the year	37,871	(169,518)
Adjustments for:		
Investment income recognised in profit or loss	(2,472)	(6,010)
Depreciation and impairment of tangible fixed assets	47,932	67,825
Movements in working capital:		
Decrease in stocks	281	1,558
(Increase)/decrease in debtors	(31,504)	131,373
Increase/(decrease) in creditors	1,057	(24,519)
Cash generated from operations	53,165	709