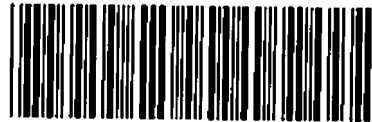


Charity Registration No. 1093691

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 2019

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MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	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 15 August 2019) (Appointed 26 October 2020)
Secretary	Mr AE James	
Acting Centre manager	Ms S Snell	
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	

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

HSBC Bank PLC
45 Commercial Street
CAMBORNE
Cornwall
TR14 8AX

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 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

Trustees have taken very significant steps in the last 9 months to remedy the challenging financial position of the Charity reported in these accounts. And indeed, even with the severe impact of Covid 19 reported later, the nine months results show an income from all sources of £425,482 and an expenditure of £312,773 including the repayment of a £25,000 loan.

Trustees wish to record their appreciation of the significant contribution of the former Chair, Simon Sherrard, who resigned as Chair in October 2019 and as a Trustee in December 2019 having led and guided the Charity for 10 years. His impact and contribution over these years has been considerable in benefiting the charity and those whom it serves.

A generous note of thanks is also due to the management team, staff and volunteers who have shown great commitment and determination to make sacrifices and implement whatever changes were necessary to ensure the future of the Charity.

While overall income fell from £811,968 in 2018 to £588,429 in 2019 these reductions were largely the result of higher amounts of gifts and grants in the earlier year relating to the hydrotherapy pool project.

With the income and expenditure for the year ending December 2019 showing a deficit of £136,432 the continued survival of the charity in the past 18 months has been due to the generosity of a few benefactors who have provided interest free loans to enable the charity to meet its obligations, these loans currently total £180,000.

Most significantly the funds gained through charitable activities and other trading yielded an increase of 3.2% year on year to £364,793 compared to £353,342 in the earlier year.

Activity levels in 2019 continued to demonstrate the absolute need for the services and support offered by Merlin MS charity as illustrated in this table

Activity	2019	2018	% change
Number of inductions	407	323	26.0
People accessing Oxygen	5995	5098	17.6
Oxygen chamber sessions	879	1050	-16.3
Gym footfall	3970	3469	14.4
1:1 therapy	1626	1733	-6.2
Group gym sessions	324	250	29.6
Group attendance	5 to 13	8	
Total gym by calculation (assume average group)	2916	2125	37.2
Accessing hydrotherapy	256	NA	
Number of people accessing outreach	579	656	-11.7
Number of outreach sessions	77	77	0.0
Day respite people	732	673	8.8
Total of 'people' interventions or support	16481	14077	17.1

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

Many of these activities would not have been possible without the support of staff and most importantly the Charity's 130 volunteers who through their efforts have donated the equivalent of 17,200 hours of commitment or the equivalent of £140,000 in wage costs.

Given the importance of oxygen therapy to clients the Charity has invested £65,000 in Cornwall's only oxygen generator. This new investment, generously funded by The Band Trust ensures reliability of supply, reduction in costs and an improved carbon footprint.

While the Hydrotherapy pool posed some of the most significant challenges operationally, financially and reputationally during the financial year considerable progress has now been made in a collaborative and supportive engagement with the primary contractor in remedying key aspects of the design. The Charity also welcomes and appreciates the 'pro bono' support from a local consulting engineer with specialist knowledge of hydrotherapy pools and their operation.

Following the appointment of a new Chair in October 2019 Trustees and management carried out a significant 'root and branch' review of the charity that identified the need to bring operational and especially staff costs to a lower level. Trustees agreed a new 'balanced' budget for 2020 that required a near 50% reduction in staff costs, the suspension of uneconomic or unfunded services, a stronger focus on building resilience and the development of new sustainable income streams. A further reduction in staffing, including reduction in management costs, was introduced to mitigate the impacts of Covid 19 reported below.

By the end of the first quarter, pre-Covid, the management team are to be congratulated having delivered a financial and operational performance within the new tighter budget. Their efforts continue and delivered a positive result at the end of quarter three 2020 again better than the pre-Covid budget.

Impact of Covid 19

The impact of Covid 19 has been very significant with the Centre being closed from 17 March 2020. Since June the Centre has embarked upon a partial slow, safety first, re-opening in line with best guidance from Public Health England and others. The Charity took advantage of the Government's furlough scheme wherever possible. All staff other than the management team were furloughed at some stage with the Charity benefiting from HMRC contributions. Almost all activity-based fundraising has been halted.

During the suspension of the Centre, the management team have had the priorities of a) engaging with and supporting the charity's most vulnerable clients; b) identifying funding sources to support clients and the charity more generally and c) developing a phased re-opening plan including risk analyses, new Covid secure practices and new ways of working.

With the huge amount of effort by the Management team the Charity has secured over £161,534 in grants and donations by the end of the third quarter of 2020 as well as an initial payment of £125,000 from a memorial fund in which Merlin MS Centre is a named beneficiary. The total income from donations, grants and legacies to date in the 9 months to September 2020 is £291,631 compared to £220,244 in the full financial year 2019.

Earlier in Covid 19 'lockdown' there were over 1600 telephone or personal contacts with clients including general and psychological support, on-line exercise classes and the setting up of a Merlin Facebook support group.

In looking to the near and mid-term future the Trustees appreciate the recognition and responsibility of being one of the named charities in a significant memorial fund and have submitted a detailed application that would benefit the Charity now and in perpetuity to meet the needs of the many and increasing number of Cornish residents who rely upon its extensive and growing range of services.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial review

Reserves policy

The level of unrestricted general reserves at the year end was a deficit of £186,931 (2018: surplus of £12,667). 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. Funds to repay the outstanding loans (now £180k) are part of the submission we made to the Elwyn Thomas Memorial Fund. We are awaiting formal confirmation from their trustees that the minimum payment will be in excess of the mentioned £180k.

Plans for the future

Remembering our charitable activities are 'A Centre of excellence in Cornwall providing a range of expert care, support and therapies for those living with multiple sclerosis and other neurological conditions and their families and their friends' our near term strategy is to

- 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
- Refinance outreach and extend day respite services
- Establish an endowment in perpetuity that will provide 'base income' to contribute towards operational costs

As a further step in building resilience Trustees have agreed to invest over £66,000 in ground source heating for the hydrotherapy pool. These costs will be largely covered by receipts from a further legacy and in time the project will yield significant financial savings to the charity as well as further improving its carbon footprint.

Prior to the impact of the Covid-19 Pandemic Trustees were committed to reviewing and developing a new 3 year strategic plan. The Trustees are still intent on completing this work by the Spring of 2021.

The future medium term strategy is likely to reference:-

- A need for Merlin MS Centre and its services to encompass a wider range of neurological conditions for people through-out Cornwall
- Especially focus on providing services from its unique facilities and skilled staff in physiotherapy, hydrotherapy and oxygen therapy and expanded use of the hydro-pool
- Build collaboration with the NHS so that these services are increasingly commissioned by the NHS thereby providing a regular income stream
- Develop alliances with other charities and 'not for profit' organisations in Cornwall especially those benefiting people with neurological conditions and seek to establish Merlin MS Centre as an 'Umbrella' organisation and place of excellence for such organisations.

Finally, and most importantly, the Trustees were delighted when Michael Galsworthy CVO, CBE, DL agreed to be our Patron. His experience, expertise and wisdom will be of great benefit to the Charity as Trustees.

The management, staff and volunteers continue to work tirelessly to improve the lives of those people who need our services and create even greater personal and societal impact throughout Cornwall.

Structure, governance and management

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

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	(Resigned 9 September 2019)
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	(Appointed 15 August 2019)
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 CEO appointed by the trustees. The CEO 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 CEO 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 2019

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 T Sneddon - Chairman

Trustee

Dated: 29 Feb 2020

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 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 2019 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.

RRL LLP

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

Chartered Accountants
Statutory Auditor

30/11/2020

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 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
<u>Income and endowments from:</u>							
Donations and legacies	3	128,030	92,642	220,672	209,935	246,219	456,154
Charitable activities	4	183,828	-	183,828	156,531	-	156,531
Other trading activities	5	180,965	-	180,965	196,811	-	196,811
Investments	6	59	-	59	2,472	-	2,472
Other income	7	2,905	-	2,905	-	-	-
Total income		495,787	92,642	588,429	565,749	246,219	811,968
<u>Expenditure on:</u>							
Raising funds	8	175,593	-	175,593	208,953	-	208,953
Charitable activities	9	527,626	21,642	549,268	537,744	27,400	565,144
Total resources expended		703,219	21,642	724,861	746,697	27,400	774,097
Net (outgoing)/ incoming resources before transfers		(207,432)	71,000	(136,432)	(180,948)	218,819	37,871
Gross transfers between funds		31,525	(31,525)	-	32,753	(32,753)	-
Net (expenditure)/income for the year/ Net movement in funds		(175,907)	39,475	(136,432)	(148,195)	186,066	37,871
Fund balances at 1 January 2019		923,507	1,974,894	2,898,401	1,071,702	1,788,828	2,860,530
Fund balances at 31 December 2019		747,600	2,014,369	2,761,969	923,507	1,974,894	2,898,401

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 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	15		1,391		1,391
Tangible assets	16		2,881,800		2,873,634
			<u>2,883,191</u>		<u>2,875,025</u>
Current assets					
Stocks	17	729		3,674	
Debtors	18	22,674		38,817	
Cash at bank and in hand		97,879		149,485	
			<u>121,282</u>		<u>191,976</u>
Creditors: amounts falling due within one year	20		<u>(242,504)</u>		<u>(168,600)</u>
Net current (liabilities)/assets			<u>(121,222)</u>		<u>23,376</u>
Total assets less current liabilities			<u><u>2,761,969</u></u>		<u><u>2,898,401</u></u>
Income funds					
Restricted funds	22		2,014,369		1,974,894
<u>Unrestricted funds</u>					
Designated funds	23	934,531		910,840	
General unrestricted funds		(186,931)		12,667	
			<u>747,600</u>		<u>923,507</u>
			<u><u>2,761,969</u></u>		<u><u>2,898,401</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 29 October 2020


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 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	31		(205,991)		53,165
Investing activities					
Purchase of tangible fixed assets		(48,669)		(868,812)	
Proceeds on disposal of tangible fixed assets		2,995		-	
Interest received		59		2,472	
Net cash used in investing activities			(45,615)		(866,340)
Financing activities					
Receipt/(Repayment) of borrowings		200,000		(5,000)	
Net cash generated from/(used in) financing activities			200,000		(5,000)
Net decrease in cash and cash equivalents			(51,606)		(818,175)
Cash and cash equivalents at beginning of year			149,485		967,660
Cash and cash equivalents at end of year			<u>97,879</u>		<u>149,485</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

The trustees are confident that the charity will continue to operate for the foreseeable future, but recognise that at the year end the charity was reliant on the support of its benefactor creditors to enable it to continue to operate. Since the year end the charity temporarily closed as a result of the Covid-19 pandemic. At the date of approval of these financial statements, the Centre has started to reinstate key services, and as a result generate income. A plan has been put into place led by the trustees to ensure future sustainability, and the charity has also been made aware of a significant legacy which will enable it to repay its creditors. As a result of the above, the trustees believe that the financial statements can continue to be prepared on the going concern basis.

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 2019

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 2019

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 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.

1.9 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 2019

1 Accounting policies

(Continued)

1.10 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.

1.11 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.

1.12 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 2019

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

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

1.15 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.

1.16 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
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Donations and gifts	73,045	-	73,045	136,926	-	136,926
Legacies receivable	25,383	-	25,383	35,719	-	35,719
Grants receivable	29,602	92,642	122,244	37,290	246,219	283,509
	<u>128,030</u>	<u>92,642</u>	<u>220,672</u>	<u>209,935</u>	<u>246,219</u>	<u>456,154</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 2019

3 Donations and legacies

(Continued)

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Grants receivable for core activities						
ACT Foundation	-	-	-	-	10,000	10,000
The Albert Hunt Trust	-	-	-	5,000	-	5,000
Awards for All	-	-	-	-	10,000	10,000
Band Trust	-	65,000	65,000	-	15,000	15,000
Duchy Health Charity	-	1,422	1,422	-	15,638	15,638
Bernard Sunley	-	-	-	-	25,000	25,000
Clare Milne Foundation	-	-	-	-	28,819	28,819
Garfield Weston Foundation	-	10,000	10,000	-	30,000	30,000
Clothworkers' Foundation	-	-	-	-	100,000	100,000
Other	29,602	16,220	45,822	32,290	11,762	44,052
	<u>29,602</u>	<u>92,642</u>	<u>122,244</u>	<u>37,290</u>	<u>246,219</u>	<u>283,509</u>

The amounts included in other grants include the following:

£1,200 - Spirax Sparco Charitable Trust

£2,000 - Vandervell Foundation

£2,000 - Souter Charitable Trust

£2,000 - St Austell Brewery Charitable Trust

£2,025 - Winnifred Potter Charitable Trust

£3,500 - Adrian Swire Charitable Trust

£5,000 - February Foundation

£5,000 - Grampound Community Fund

£5,000 - Sobell Foundation

£7,500 - Thomas J Horne Memorial Trust

Equal to/less than £1,000 - Various charitable entities, totalling £10,597.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Charitable activities

	2019 £	2018 £
Therapies	170,741	143,908
Therapy room hire	13,087	12,623
	<u>183,828</u>	<u>156,531</u>

5 Other trading activities

	Unrestricted funds 2019 £	Unrestricted funds 2018 £
Fundraising events	94,863	121,443
Retail and Café income	56,508	42,342
Corporate room hire	28,997	29,633
Other income	597	3,393
	<u>180,965</u>	<u>196,811</u>
Other trading activities		

6 Investments

	Unrestricted funds 2019 £	Unrestricted funds 2018 £
Interest receivable	59	2,472

7 Other income

	Unrestricted funds 2019 £	Total 2018 £
Net gain on disposal of tangible fixed assets	2,905	-

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Raising funds

	2019	2018
	£	£
<u>Income generation</u>		
Marketing and publicity	2,642	4,763
Other fundraising costs	35,797	45,842
Staff costs	127,584	147,150
Support costs	9,570	11,198
	<u>175,593</u>	<u>208,953</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. Other expenditure relates to stock for the café; plus merchandise for the retail area, running fundraising events and marketing of services.

9 Charitable activities

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Charitable activities

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Support costs

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

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

12 Net movement in funds

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

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

13 Trustees

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

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

14 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Charitable activities and administration	27	29

Employment costs

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

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

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

15 Intangible fixed assets

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

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Tangible fixed assets

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

17 Stocks

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

18 Debtors

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

19 Loans and overdrafts

	2019 £	2018 £
Other loans	205,000	5,000
Payable within one year	205,000	5,000

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

20 Creditors: amounts falling due within one year

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21 Retirement benefit schemes

Defined contribution schemes

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

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

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Restricted funds

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

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Restricted funds

(Continued)

Transfers between funds

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

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

Description nature and purpose of restricted funds

Centre building costs

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

Oxygen tank

Funds to provide an additional oxygen tank.

Outreach

Various restricted grants provided for outreach salaries and equipment.

Equipment for treatments

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Restricted funds

(Continued)

Sunley Suite

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

Respite care

Funding provided for salaries and equipment.

Counselling

Funding to provide chairs for use in counselling sessions.

Journey Garden

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

Hydrotherapy Pool (Splash Out Appeal)

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

Minibus

Funding received for the purchase of a minibus.

Sensory Room

Funding towards the building and equipment for a sensory room.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Restricted funds

(Continued)

Physiotherapy

Funding to support provision of physiotherapy sessions.

Carers Grant

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

Oxygen Generator

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

23 Designated funds

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

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

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

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

24 Analysis of net assets between funds

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

25 Operating lease commitments

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

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

26 Capital commitments

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

Contracted for but not provided in the financial statements:

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

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

28 Events after the reporting date

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

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

29 Related party transactions

(Continued)

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

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

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

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

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

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

30 Analysis of changes in net debt

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

31 Cash generated from operations

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