



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 2017

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 MJ Ford
 Mr M Gifford
 Mr AE James
 Mr MEF James
 Mr SBB Lawrence
 Mr DA Perks

Secretary Mr AE James

Centre manager Loraine Long

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

Robinson Reed Layton 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 5THI

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 2017

Chairman's Report

While 2017 was another successful year operationally at Merlin it was to some extent a frustrating year in that the start of the construction of the hydrotherapy pool building was delayed by the cost of our architects' design proving to be far more expensive than they forecast.

The good news is that following a redesign and extensive discussion with the building contractor, Brady Construction Services Ltd, work started on 6th March 2018 on which day Peter Congdon, our amazingly generous lead funder, cut the initial sod. Completion is anticipated in October 2018. This work constitutes the first phase of the building which will include the hydrotherapy pool. Phase two, which will include additional therapy rooms and other facilities, will be started when funding allows.

During the year 9222 therapy sessions were delivered and there were 256 new inductions. A graph showing the breakdown is in the Trustees' Report. Interestingly we have seen an increase in the number of sports injuries and other conditions seeking HBO therapy which is beneficial to the charity as a whole as it enables us to provide our services in the most cost effective manner.

The outreach facility in Bodmin is now fully operational one day per week and we are looking as to where else in Cornwall would benefit from a similar service to complement this and the day at Hayle. Once a suitable location has been identified we will seek funding to progress the project.

Those of you who are regular users of the Centre will have seen the new cafe which is now up and running staffed by twelve volunteers to whom we are most grateful. Initial sales have been most encouraging, and I hope visitors to the Centre will partake of the excellent fare on offer.

The other recent expansion of our services is the provision of an extra day of respite which now brings us up to three per week. We hope to be able to build on this during 2018 as there is no doubt that the demand exists for carers to be given a break from the amazing work they do.

As I have said before our accounts are most difficult to understand given the accounting rules we have to abide by. However, the reality of our situation is that the accounts show we failed to generate sufficient income in 2017 to pay our way by an amount of £100,000 and we need to improve on this in the future. In addition there was £68,000 of depreciation and although this is a non cash item it still has to be covered by fundraising if we are to maintain our facilities in the excellent condition in which they are today. Our fundraising department does an excellent job and I encourage all our volunteers and supporters to give them as much help as possible as there is no doubt as to the value of the services we are offering to those with MS and other neurological conditions.

I should like to take this opportunity, once again, to thank our volunteers and supporters for the enormous contribution they make to Merlin to say nothing of the staff who run the charity and deliver the therapies which are so important to our users. There is no doubt that Cornwall would be a poorer place without Merlin. Thank you all.

Mr SP Sherrard DL
Chairman

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees present their report and financial statements for the year ended 31 December 2017.

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 with staff providing an advocacy service for those struggling to understand the process.

In addition to this we are now able to provide two mobile outreach clinics where those living in rural areas can access exercise therapy and physiotherapy. We currently run these sessions one day a week in West Cornwall and in North Cornwall.

Some of the services the charity has been able to offer this year are currently hard to access in Cornwall including functional electrical stimulation (FES), and pain and balance management. The charity strives to meet this gap in the community.

The oxygen treatment department has seen a significant rise in those using this therapy for sports injuries as well as children with autism and cancer.

The charity employs four members of staff living with either MS or another long-term disability

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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2017

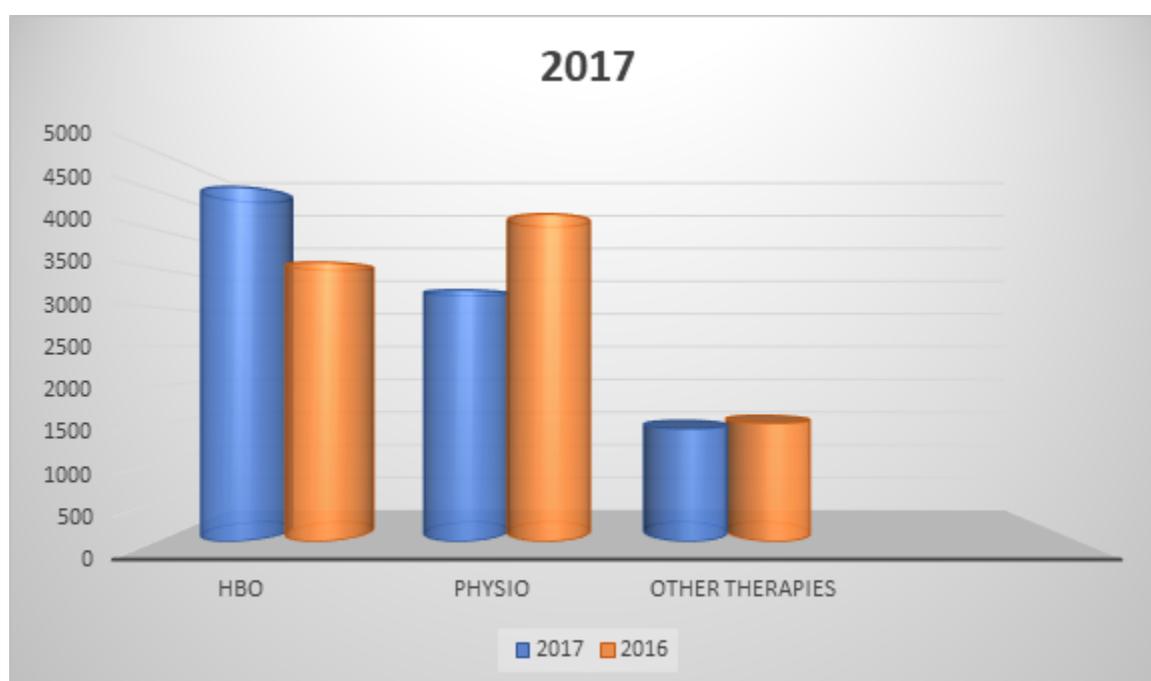
Volunteers

Many of the charity's supporters, who either live with MS or care for people with the disease, have contributed considerable time and effort in fundraising. Several volunteers have helped maintain an excellent level of service in the Centre and maintained the grounds to a high standard.

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.

Achievements and performance

The Centre continues to receive new enquiries for the services on offer. During 2017, 256 inductions on new clients accessing our services were completed and therapy was provided to 9222 clients in the year.



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

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 £8,660 (2016: £206,636). 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.

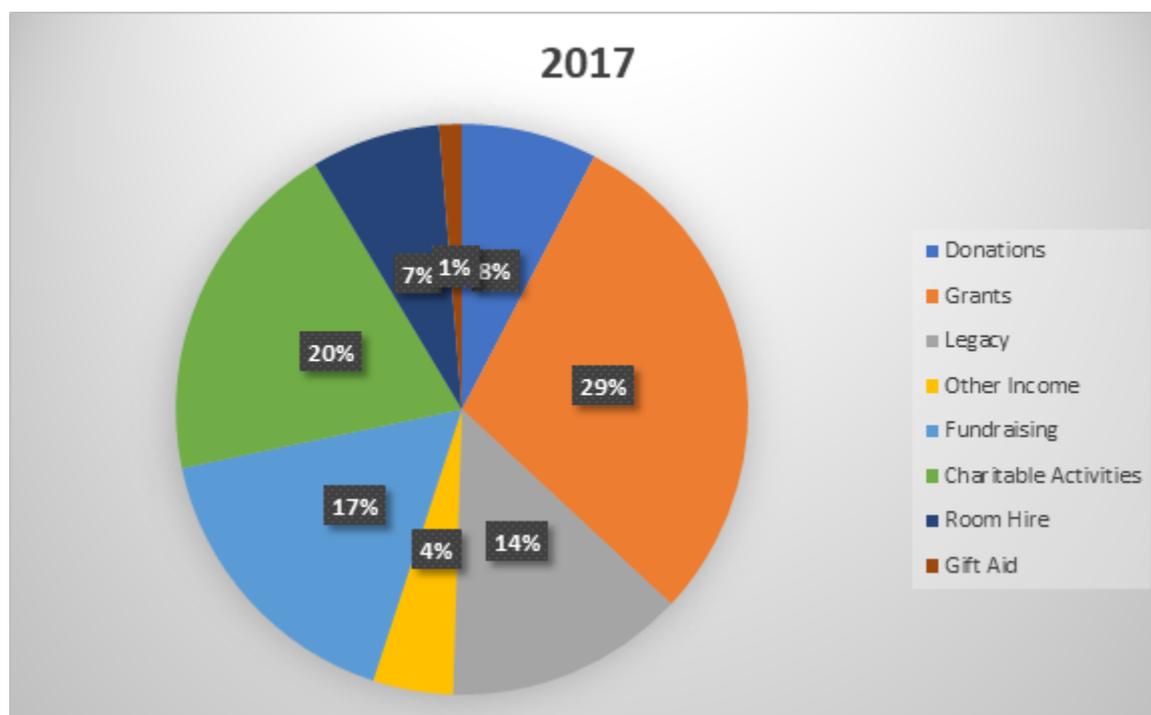
MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2017

Principal funding sources

Funding sources range from individual donations, group activities initiated by volunteers to donations or events run by businesses, clubs, churches etc.



Trustees assessment of going concern

In 2017 the trustees continued to oversee the actions implemented in the previous year to endeavour to align expenditure with income. Subsidised charges remained the same as the previous year. During 2017 the salary cost included posts specifically funded by grants to enable us to provide additional services in physiotherapy, outreach and respite. This equated to £26,945.

Plans for the future

The charity strives to make The Merlin MS Centre the focal point in Cornwall for those with Multiple Sclerosis, providing relevant therapies as well as a place in which to meet and talk to others with a similar condition. Many of the therapies provided are helpful to those with other conditions and they too are welcomed. Additionally, the charity uses its excellent facilities to raise funds with which to achieve its primary objectives and will seek to add additional services where these are of value to the community.

The priority for 2018 is to extend the outreach programme to enable more therapy to be provided within the community meeting the needs of those who are too ill to travel to the Centre or live in remote areas of the county. The respite service is being increased to three days due to demand.

The objective in 2018 is to build a hydrotherapy pool for the Centre using the donation made by Mr Peter Congdon and sourcing grants to meet the cost of a large capital project. Work on phase 1 starts in March and completion is due October 2018.

Emphasis this year will also be on donor development and encouraging our supporters to remember Merlin through a legacy.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 Loraine Long (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 2017

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 Robinson Reed Layton 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 AE James

Trustee

Dated: 11 May 2018

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017 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 2017 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

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 directors 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 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.

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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

Mark Williams (Senior Statutory Auditor)
for and on behalf of Robinson Reed Layton LLP

1 June 2018

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 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Income from:					
Donations and legacies	3	54,221	4,361	58,582	794,777
Charitable activities	4	179,782	119,331	299,113	270,259
Other trading activities	5	146,540	-	146,540	151,904
Investments	6	6,010	-	6,010	7,950
Total income		386,553	123,692	510,245	1,224,890
Expenditure on:					
Raising funds	7	113,234	-	113,234	118,656
Charitable activities	8	532,109	34,420	566,529	460,586
Total resources expended		645,343	34,420	679,763	579,242
Net (outgoing)/incoming resources before transfers		(258,790)	89,272	(169,518)	645,648
Gross transfers between funds		38,407	(38,407)	-	-
Net (expenditure)/income for the year/ Net movement in funds		(220,383)	50,865	(169,518)	645,648
Fund balances at 1 January 2017		1,292,085	1,737,963	3,030,048	2,384,400
Fund balances at 31 December 2017		1,071,702	1,788,828	2,860,530	3,030,048

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 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	13		1,391		1,391
Tangible assets	14		1,902,066		1,800,612
			<u>1,903,457</u>		<u>1,802,003</u>
Current assets					
Stocks	16	3,955		5,513	
Debtors	17	7,313		138,686	
Cash at bank and in hand		967,660		1,135,220	
			<u>978,928</u>	<u>1,279,419</u>	
Creditors: amounts falling due within one year	19	(16,855)		(41,374)	
Net current assets			<u>962,073</u>	<u>1,238,045</u>	
Total assets less current liabilities			<u>2,865,530</u>	<u>3,040,048</u>	
Creditors: amounts falling due after more than one year	20		(5,000)	(10,000)	
Net assets			<u><u>2,860,530</u></u>	<u><u>3,030,048</u></u>	
Income funds					
Restricted funds	22		1,788,828		1,737,963
<u>Unrestricted funds</u>					
Designated funds	23	1,063,042		1,085,449	
General unrestricted funds		8,660		206,636	
			<u>1,071,702</u>	<u>1,292,085</u>	
			<u><u>2,860,530</u></u>	<u><u>3,030,048</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 11 May 2018

Mr AE James
Trustee

Company Registration No. 04460611

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27		709		572,559
Investing activities					
Purchase of tangible fixed assets		(169,279)		(114,701)	
Interest received		6,010		7,950	
Net cash used in investing activities			(163,269)		(106,751)
Financing activities					
Repayment of borrowings		(5,000)		(5,000)	
Payment of obligations under finance leases		-		(1,632)	
Net cash used in financing activities			(5,000)		(6,632)
Net (decrease)/increase in cash and cash equivalents			(167,560)		459,176
Cash and cash equivalents at beginning of year			1,135,220		676,044
Cash and cash equivalents at end of year			967,660		1,135,220

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017

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 2017

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 2017

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 2017

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 2017	Total 2016
	£	£	£	£
Donations and gifts	54,221	4,361	58,582	714,777
Legacies receivable	-	-	-	80,000
	<u>54,221</u>	<u>4,361</u>	<u>58,582</u>	<u>794,777</u>
For the year ended 31 December 2016	<u><u>779,427</u></u>	<u><u>15,350</u></u>		<u><u>794,777</u></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 2017

4 Charitable activities

	2017 £	2016 £
Therapies	116,181	124,977
Grants	167,838	115,159
Therapy room hire	15,094	30,123
	<u>299,113</u>	<u>270,259</u>
	<u><u>299,113</u></u>	
Analysis by fund		
Unrestricted funds	179,782	
Restricted funds	119,331	
	<u>299,113</u>	
	<u><u>299,113</u></u>	
For the year ended 31 December 2016		
Unrestricted funds		158,850
Restricted funds		111,409
		<u>270,259</u>
		<u><u>270,259</u></u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Charitable activities (Continued)

	2017	2016
	£	£
Grants		
St Austell Brewery	5,000	-
Mahoro Charitable Trust	5,000	-
Sobell Foundation	5,000	5,000
Cornwall Community Foundation	10,000	-
Thomas J Horne Memorial Trust	7,500	5,000
Garfield Weston Foundation	40,000	-
Wilfred Bruce Davis Charitable Trust	1,540	16,000
Albert Hunt	10,000	-
Big Lottery Fund	10,000	9,800
Mark Benevolent Fund	43,971	-
Other	29,827	79,359
	<u>167,838</u>	<u>115,159</u>

The amounts included in other grants include the following:

£3,500 - Hedley Foundation

£3,000 - Bridging Fund Charitable Trust, The Dandjeaw Charitable Trust, Health and Wellbeing CRCC, Susanna Peake Charitable Trust.

£2,000 - Winnifred Potter Charitable Trust, Botwell Charitable Trust, May 29th 1961 Charitable Trust.

£1,200 - Spirax Sarco Charitable Trust.

£1,000 - Roger Vere Foundation, Duke of Cornwall's BF, Souter Charitable Trust, Cornwall Masonic Fund, JSF Pollitzer Charitable Trust, Vandervell Foundation.

Less than £1,000 - Various charitable entities, totalling £7,307.

5 Other trading activities

	2017	2016
	£	£
Fundraising events	102,563	121,209
Retail income	13,199	11,954
Corporate room hire	28,016	15,490
Other income	2,762	3,251
	<u>146,540</u>	<u>151,904</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Investments

	2017	2016
	£	£
Interest receivable	6,010	7,950
	<u>6,010</u>	<u>7,950</u>

7 Raising funds

	2017	2016
	£	£
<u>Fundraising and publicity - wholly unrestricted</u>		
Marketing and publicity	2,769	4,072
Other fundraising costs	19,850	22,381
Staff costs	78,836	79,605
Support costs	11,779	12,598
	<u>113,234</u>	<u>118,656</u>
Fundraising and publicity - wholly unrestricted	<u>113,234</u>	<u>118,656</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

8 Charitable activities

	2017 £	2016 £
Staff costs	260,107	201,050
Depreciation and impairment	67,825	39,367
Light and heat	6,242	6,573
Repairs and renewals	18,555	25,515
Subscriptions	1,165	2,818
Cost of provision of subsidised therapy	132,765	114,500
Travel and subsistence	17,304	16,896
Cleaning	7,038	7,002
Rent and rates	1,080	1,480
Hire purchase interest	-	172
Bank charges	1,637	1,736
	<u>513,718</u>	<u>417,109</u>
Share of support costs (see note 9)	14,710	12,157
Share of governance costs (see note 9)	38,101	31,320
	<u>566,529</u>	<u>460,586</u>
Analysis by fund		
Unrestricted funds	532,109	
Restricted funds	34,420	
	<u>566,529</u>	
For the year ended 31 December 2016		
Unrestricted funds		389,878
Restricted funds		70,708
		<u>460,586</u>

Of the above staff costs, £26,945 (2016: £28,060) has been funded through grants.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Support costs

	Support costs £	Governance costs £	2017 £	2016 £	Basis of allocation
Staff costs	-	29,632	29,632	24,916	Staff time
Insurance	5,916	-	5,916	5,493	Estimated usage
Telephone	8,624	-	8,624	7,375	Estimated usage
Postage and stationery	11,949	-	11,949	11,887	Estimated usage
Audit fees	-	2,820	2,820	2,700	Governance
Accountancy	-	1,200	1,200	1,200	Governance
Legal and professional	-	4,449	4,449	2,504	Governance
	<u>26,489</u>	<u>38,101</u>	<u>64,590</u>	<u>56,075</u>	
Analysed between					
Fundraising	11,779	-	11,779	12,598	
Charitable activities	14,710	38,101	52,811	43,477	
	<u>26,489</u>	<u>38,101</u>	<u>64,590</u>	<u>56,075</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

	2017 £	2016 £
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	2,820	2,700
Depreciation of owned tangible fixed assets	67,825	38,405
Depreciation of tangible fixed assets held under finance leases	-	962
	<u>70,645</u>	<u>42,067</u>

Fees payable to the company's auditor for other services totalled £2,202 (2016: £2,562).

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 2017 or 2016.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2017	2016
	Number	Number
Charitable activities and administration	24	20

Employment costs

	2017	2016
	£	£
Wages and salaries	335,349	278,038
Social security costs	19,156	15,458
Other pension costs	14,070	12,075
	<u>368,575</u>	<u>305,571</u>

Expenditure on staff salaries is equal to 16 full time staff members. In 2017 the charity received £26,945 from grant funding towards the overall cost. The Centre requires the equivalent of 3 full time members of staff to run it and provide admin support. A further full time equivalent is required for cleaning and caretaking duties. Services are provided by the equivalent of 7 full time staff members - in 2017 we provided £138,576 of subsidised therapies which is an increase of £24,076 on 2016. Fundraising has the equivalent of 5 full time staff members and they generated income of £384,446 in 2017.

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

13 Intangible fixed assets

	Fishing rights
	£
Cost	
At 1 January 2017 and 31 December 2017	1,391
Amortisation and impairment	
At 1 January 2017 and 31 December 2017	-
Carrying amount	
At 31 December 2017	<u>1,391</u>
At 31 December 2016	<u>1,391</u>

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 2017

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 2017	1,775,568	-	115,640	87,518	35,608	14,345	2,028,679
Additions	-	114,157	13,635	2,796	2,374	36,317	169,279
At 31 December 2017	1,775,568	114,157	129,275	90,314	37,982	50,662	2,197,958
Depreciation and impairment							
At 1 January 2017	89,252	-	68,115	38,738	24,633	7,329	228,067
Depreciation charged in the year	11,504	-	21,358	17,847	6,984	10,132	67,825
At 31 December 2017	100,756	-	89,473	56,585	31,617	17,461	295,892
Carrying amount							
At 31 December 2017	1,674,812	114,157	39,802	33,729	6,365	33,201	1,902,066
At 31 December 2016	1,686,316	-	47,525	48,780	10,975	7,016	1,800,612

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

14 Tangible fixed assets (Continued)

The above additions of £114,157 included within 'Asset under construction' relate to the initial costs incurred in respect of the planned Hydrotherapy Pool building. The actual build commenced March 2018.

15 Financial instruments	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,942	3,739
	<u>3,942</u>	<u>3,739</u>
Carrying amount of financial liabilities		
Measured at amortised cost	15,647	46,036
	<u>15,647</u>	<u>46,036</u>
16 Stocks	2017	2016
	£	£
Finished goods and goods for resale	3,955	5,513
	<u>3,955</u>	<u>5,513</u>
17 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	3,942	3,739
Prepayments and accrued income	3,371	134,947
	<u>7,313</u>	<u>138,686</u>
18 Loans and overdrafts	2017	2016
	£	£
Other loans	10,000	15,000
	<u>10,000</u>	<u>15,000</u>
Payable within one year	5,000	5,000
Payable after one year	5,000	10,000
	<u>10,000</u>	<u>25,000</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 2017

19 Creditors: amounts falling due within one year

	2017 £	2016 £
Concessionary loans	5,000	5,000
Other taxation and social security	6,208	5,338
Trade creditors	1,026	26,550
Accruals	4,621	4,486
	<u>16,855</u>	<u>41,374</u>

20 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Borrowings	<u>5,000</u>	<u>10,000</u>

21 Retirement benefit 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 £14,070 (2016: £12,075). There were no unpaid contributions at the year end (2016: £Nil).

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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				Balance at 31 December 2017 £
	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	
Centre building costs	1,635,155	-	-	(11,160)	1,623,995
Oxygen tank	11,400	-	-	(1,800)	9,600
Outreach	22,395	-	(17,700)	(1,467)	3,228
Equipment for treatments	37,005	5,040	(3,500)	(13,828)	24,717
Sunley Suite	29,245	-	-	(1,125)	28,120
Respite care	663	-	-	(312)	351
Journey Garden	2,100	-	-	-	2,100
Hydrotherapy Pool	-	61,861	-	-	61,861
Minibus	-	46,537	(10,220)	(7,264)	29,053
Sensory Room	-	7,254	-	(1,451)	5,803
Carers Wellbeing	-	3,000	(3,000)	-	-
	1,737,963	123,692	(34,420)	(38,407)	1,788,828
	1,737,963	123,692	(34,420)	(38,407)	1,788,828

Transfers between funds

During the year the trustees approved transfers between restricted and unrestricted funds of £38,407 (2016; £23,617).

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

22 Restricted funds

(Continued)

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.

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.

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.

Carers Wellbeing

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	Movement in funds				Balance at 31 December 2017 £
	Balance at 1 January 2017 £	Incoming resources £	Resources expended £	Transfers £	
Designated fund	1,000,000	-	-	-	1,000,000
General fixed asset fund	85,449	-	(26,607)	4,200	63,042
	<u>1,085,449</u>	<u>-</u>	<u>(26,607)</u>	<u>4,200</u>	<u>1,063,042</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 have designated donations totalling £1,000,000 towards the planned Hydrotherapy Pool building.

24 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2017 are represented by:			
Intangible fixed assets	1,391	-	1,391
Tangible assets	177,199	1,724,867	1,902,066
Current assets/(liabilities)	898,112	63,961	962,073
Long term liabilities	(5,000)	-	(5,000)
	<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:

	2017 £	2016 £
Within one year	7,533	4,346
Between two and five years	26,555	4,026
In over five years	8,673	-
	<u>42,761</u>	<u>8,372</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	38,782	33,146

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.

During the year 8 (2016: 7) trustees made donations without conditions attached to the charity totalling £5,487 (2016: £1,882)

Mrs SJ Coode, trustee, is also a trustee of Duchy Health Charity Limited which provided a grant of £16,200 to Merlin MS Centre Ltd during the prior year to part fund the physiotherapist's salary. £Nil (2016: £4,050) was outstanding at the year end.

Dr EJ Campbell, trustee, is also a director of Probus Surgical Centre Ltd. During the year Merlin MS Centre Ltd provided room hire totalling £3,634 (2016: £3,860) to Probus Surgical Centre Ltd on normal commercial terms. £237 (2016: £225) was outstanding at the year end.

In 2014 solar panels were purchased and installed at the Merlin MS Centre Ltd. Mr SP Sherrard, Chairman, and Mr MJ Ford, trustee, each provided interest free loans of £5,000 for this purpose. During the year a total of £5,000 was repaid to Mr MJ Ford. At the year end £5,000 (2016: £10,000) was outstanding and included in creditors.

27 Cash generated from operations	2017 £	2016 £
(Deficit)/surplus for the year	(169,518)	645,648
Adjustments for:		
Investment income recognised in profit or loss	(6,010)	(7,950)
Depreciation and impairment of tangible fixed assets	67,825	39,367
Movements in working capital:		
Decrease/(increase) in stocks	1,558	(1,452)
Decrease/(increase) in debtors	131,373	(123,163)
(Decrease)/increase in creditors	(24,519)	21,624
(Decrease) in deferred income	-	(1,515)
Cash generated from operations	709	572,559