

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 2016

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 MJ Ford Mr M Gifford Mr AE James Mr MEF James Mr SBB Lawrence Mr DA Perks Mr SP Sherrard DL - chairman	(Appointed 4 January 2016) (Appointed 18 July 2016)
Secretary	Mr AE James	
Centre manager	Lorraine 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 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 2016

Chairman's Report

In my report last year I made reference to the extraordinary generosity of Peter Congdon. It would appear that Peter's generosity knows no bounds in that not only has he contributed a further £500,000 towards the hydrotherapy pool project but also donated a Land Rover for our annual auction which raised £27,391. As a result we retained architects to undertake the outline design of the building and were successful in obtaining planning permission. We are therefore a major step closer to realising our dream. Needless to say, we are grateful beyond words to Peter and his family for their amazing support.

2016 was another most successful year for Merlin, both in the number of people we were able to help and the increased profile we achieved in the county as a result of the publicity surrounding the Land Rover auction and the hard work of our fundraising team in promoting it. A record number of people used our hyperbaric oxygen therapies resulting in us increasing the number of weekly dives and our physiotherapists provided help to more patients partly through an increase in group sessions. 226 new users benefitted from our services during the year.

The Outreach project in Hayle which started in 2015 was a success in that we were able to help those living in the area who for whatever reasons are unable to come to the Centre. This has given us the confidence to extend this and during 2017 we will be starting a similar facility in Bodmin. We are fortunate in that we have been able to access funding to enable the expansion of this programme. Ideally we would like to be able to be within reach of all those in Cornwall who could benefit from our services and for whom travel to Hewas Water is impractical.

Those of you who are able to get to the Centre will have noticed some changes. The Sunley Suite has been converted into additional therapy rooms and a sensory space and we now have the only antigravity treadmill in Cornwall. It is particularly pleasing to see the Centre becoming an even greater hive of activity with many other medical related entities using the space we offer, such as NHS Orthotics, NHS diabetic eye screening, the NHS MS Specialist Nurse, and Probus Surgery. This usage reflects the important role that Merlin and the Centre are playing in Cornwall. During the year we obtained funding to start a free counselling service and this will continue into 2017 as will our respite service which is becoming increasingly popular.

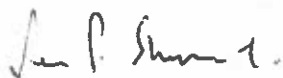
I regret that our accounts are becoming increasingly difficult to interpret owing to the accounting standards that we have to adopt and the fact that much of the income received will be funding future projects. However we still need to raise in excess of £400,000 each year to continue providing our services and this includes the £114,500 which we spent last year in subsidising the therapies for those with MS. It is a great tribute to our volunteers, our supporters and our fund raising team that we were only £20,000 short in cash terms, but £60,000 short when depreciation is taken into account. This shortfall was covered by the gift aid on the generous Peter Congdon donation. Obviously we will have to balance the books on an ongoing basis and fundraising for our day to day activities is a key objective.

During 2017 we will be focusing on the hydrotherapy pool project. Our advisers are working on the design and we hope to be in a position to start construction later this year. We will have to find additional funds for the project to be completed and our team is hard at work talking to those foundations and charitable trusts which specialise in projects of this nature.

For sometime now we have been seeking someone with accounting knowledge to join our Board of Trustees, given the increasing complexity of our accounts and I am delighted that Andrew James has joined us. He has also taken over as Company Secretary. We look forward to the benefit of his counsel.

As I have said before Merlin would not exist without the extraordinary support of our volunteers and staff members. On behalf of the trustees I should like to thank them for their dedication and hard work. I should also like to thank all of our supporters, without whom Merlin would not be entering another exciting phase of its development and contribution to the Cornish community.

Mr SP Sherrard DL
Chairman



MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

The trustees present their report and financial statements for the year ended 31 December 2016.

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) (effective 1 January 2015)".

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 paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

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.

In addition to this we are now able to provide a mobile outreach clinic 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 2017 a new outreach programme will be available 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.

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.

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.

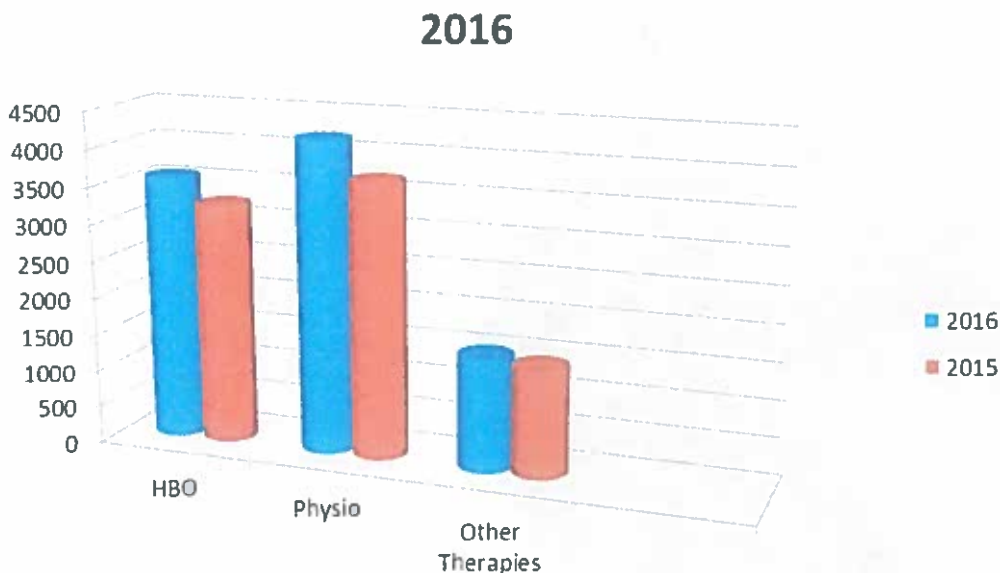
MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2016

Achievements and performance

The Centre continues to receive new enquiries for the services on offer. During 2016 we completed 226 inductions on new clients accessing our services.



The graph above shows the increase in 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 £206,636 (2015: £124,445). 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.

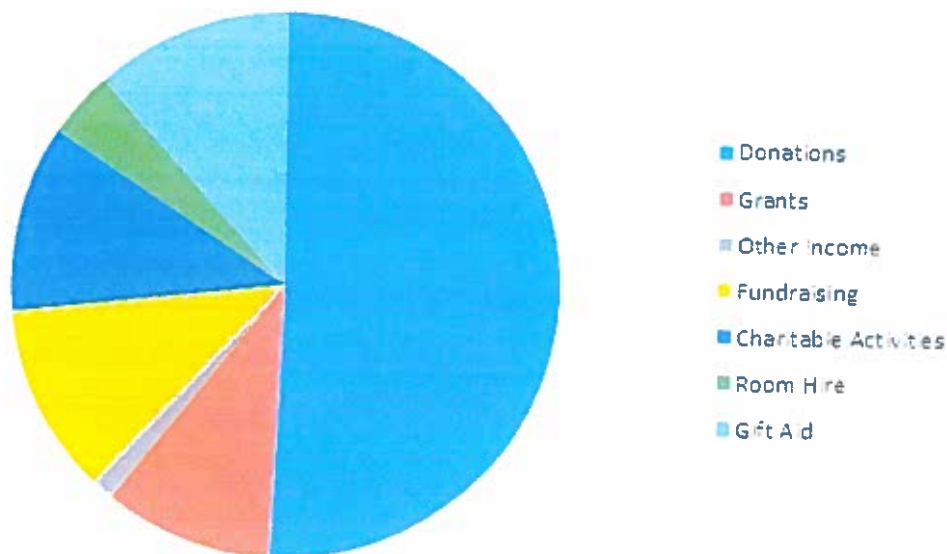
MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

Principal funding sources

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

2016



Trustees assessment of going concern

In 2016 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 2016 the salary cost included posts specifically funded by grants to enable us to provide additional services in physiotherapy and outreach.

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 its community.

Our priority for 2017 is to extend our outreach programme to enable us to provide more therapy 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. It is our objective in 2017 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.

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 2016

Structure, governance and management

Governing document

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

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

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

Dr EJ Campbell

Mr C Clark QC

Mrs SJ Coode MBE DL

Mr MJ Ford

Mr M Gifford

(Appointed 4 January 2016)

Mr AE James

(Appointed 18 July 2016)

Mr MEF James

Mr SBB Lawrence

Mr DA Perks

Mr SP Sherrard DL - chairman

Mr ARH Welford

(Resigned 18 July 2016)

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.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of winding up.

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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

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.

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.

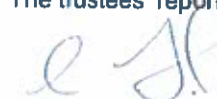
Auditor

In accordance with the company's articles, a resolution proposing that Robinson Reed Layton 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: 29 March 2017

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2016

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; 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)

We have audited the financial statements of Merlin MS Centre Ltd (Limited by Guarantee) for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of Merlin MS Centre Ltd (Limited by Guarantee) for the purposes of company law are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements.

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 2016 and of its incoming resources and application of resources, including its income and expenditure, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustee's 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustee's Report.

We have nothing to report in respect of the following matters where 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 exemption from the requirement to prepare a strategic report.

Robinson Reed Layton

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

7 April 2017

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 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<u>Income from:</u>					
Donations and legacies	3	779,427	15,350	794,777	736,650
Charitable activities	4	158,850	111,409	270,259	168,357
Other trading activities	5	151,904	-	151,904	166,329
Investments	6	7,950	-	7,950	1,160
Total income		1,098,131	126,759	1,224,890	1,072,496
<u>Expenditure on:</u>					
Raising funds	7	118,656	-	118,656	105,202
Charitable activities	8	389,878	70,708	460,586	355,327
Total resources expended		508,534	70,708	579,242	460,529
Net incoming resources before transfers		589,597	56,051	645,648	611,967
Gross transfers between funds		23,617	(23,617)	-	-
Net income for the year/ Net movement in funds		613,214	32,434	645,648	611,967
Fund balances at 1 January 2016		678,871	1,705,529	2,384,400	1,772,433
Fund balances at 31 December 2016		1,292,085	1,737,963	3,030,048	2,384,400

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 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Intangible assets	13		1,391		1,391
Tangible assets	14		1,800,612		1,725,278
			<u>1,802,003</u>		<u>1,726,669</u>
Current assets					
Stocks	16	5,513		4,061	
Debtors	17	138,686		15,523	
Cash at bank and in hand		1,135,220		676,044	
			<u>1,279,419</u>		<u>695,628</u>
Creditors: amounts falling due within one year	20		<u>(41,374)</u>		<u>(27,897)</u>
Net current assets			1,238,045		667,731
Total assets less current liabilities			<u>3,040,048</u>		<u>2,394,400</u>
Creditors: amounts falling due after more than one year			(10,000)		(10,000)
Net assets			<u><u>3,030,048</u></u>		<u><u>2,384,400</u></u>
Income funds					
Restricted funds	23		1,737,963		1,705,529
<u>Unrestricted funds</u>					
Designated funds	24	1,085,449		554,426	
General unrestricted funds		206,636		124,445	
			<u>1,292,085</u>		<u>678,871</u>
			<u><u>3,030,048</u></u>		<u><u>2,384,400</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 March 2017



Mr SP Sherrard DL - chairman
Trustee

Company Registration No. 04460611

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	28		572,559		625,712
Investing activities					
Purchase of tangible fixed assets		(114,701)		(7,338)	
Interest received		7,950		1,160	
Net cash used in investing activities			(106,751)		(6,178)
Financing activities					
Repayment of borrowings		(5,000)		-	
Payment of obligations under finance leases		(1,632)		(2,997)	
Net cash used in financing activities			(6,632)		(2,997)
Net increase in cash and cash equivalents			459,176		616,537
Cash and cash equivalents at beginning of year			676,044		59,507
Cash and cash equivalents at end of year			1,135,220		676,044

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

These financial statements for the year ended 31 December 2016 are the first financial statements of Merlin MS Centre Ltd (Limited by Guarantee) prepared in accordance with The Charities SORP (FRS 102). The financial statements for the year ended 31 December 2015 were prepared under SORP (FRSSE) 2015, these financial reporting standards have been withdrawn for accounting periods beginning on, or after, 1 January 2016. The financial position and financial performance of the transitional periods were not affected by the transition to FRS 102.

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 2016

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 2016

1 Accounting policies

(Continued)

1.6 Intangible fixed assets other than goodwill

Intangible fixed assets are capitalised at cost. No depreciation is charged in respect of intangible assets as they are regarded as having an indefinite useful life.

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% on reducing balance
Fixtures and fittings	20% on reducing balance
Computers	33% on reducing balance
Motor vehicles	20% on reducing balance

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 2016

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 receipts 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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 2016	Total 2015
	£	£	£	£
Donations and gifts	699,427	15,350	714,777	703,276
Legacies receivable	80,000	-	80,000	33,374
	<u>779,427</u>	<u>15,350</u>	<u>794,777</u>	<u>736,650</u>
For the year ended 31 December 2015	<u>729,912</u>	<u>6,738</u>		<u>736,650</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 2016

4 Charitable activities

	2016 £	2015 £
Therapies	124,977	78,940
Grants	115,159	75,138
Therapy room hire	30,123	14,279
	<u>270,259</u>	<u>168,357</u>
Analysis by fund		
Unrestricted funds	158,850	
Restricted funds	111,409	
	<u>270,259</u>	
For the year ended 31 December 2015		
Unrestricted funds		119,457
Restricted funds		48,900
		<u>168,357</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Charitable activities	(Continued)	
	2016	2015
	£	£
Grants		
Adrian Swire Charitable Trust	5,000	5,000
Sobell Foundation	5,000	-
February Foundation	5,000	-
Duchy Health Charity	16,200	11,250
Thomas J Home Memorial Trust	5,000	10,000
ACT Foundation	5,000	-
Wilfred Bruce Davis Charitable Trust	16,000	7,500
Anton Jurgens Charitable Trust	5,000	-
Big Lottery Fund	9,800	-
The Tanner Trust	3,500	-
Other	39,659	41,388
	<u>115,159</u>	<u>75,138</u>

The amounts included in other grants include the following:

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

£2,000 - Casa Stella Trust, Rank Foundation, May 29th 1961 Charitable Trust.

£1,397 - Morrisons Foundation.

£1,200 - Spirax Sarco Charitable Trust.

£1,000 - Annet Charitable Trust, Broadmead Trust, Foresters Charity Stewards UK Trust, Gardening for Disabled Trust, The Pat Newman Memorial Trust, Souter Charitable Trust, St James Place, Vandervell Foundation.

Less than £1,000 - Various charitable entities, totalling £11,062.

5 Other trading activities	2016	2015
	£	£
Fundraising events	121,209	118,706
Retail income	11,954	10,486
Corporate room hire	15,490	31,840
Other income	3,251	5,297
	<u>151,904</u>	<u>166,329</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Investments

	2016	2015
	£	£
Interest receivable	7,950	1,160

7 Raising funds

	2016	2015
	£	£
<u>Fundraising and publicity - wholly unrestricted</u>		
Marketing and publicity	4,072	6,945
Other fundraising costs	22,381	20,893
Staff costs	79,605	65,033
Support costs	12,598	12,331
Fundraising and publicity - wholly unrestricted	118,656	105,202

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Charitable activities

	2016	2015
	£	£
Staff costs	201,050	175,718
Depreciation and impairment	39,367	26,971
Light and heat	6,573	5,013
Repairs and renewals	25,515	16,275
Subscriptions	2,818	2,318
Cost of provision of subsidised therapy	114,500	72,292
Travel and subsistence	16,896	8,788
Cleaning	7,002	7,042
Rent and rates	1,480	2,068
Hire purchase interest	172	413
Bank charges	1,736	2,144
	<u>417,109</u>	<u>319,042</u>
Share of support costs (see note 9)	12,157	11,479
Share of governance costs (see note 9)	31,320	24,806
	<u>460,586</u>	<u>355,327</u>
Analysis by fund		
Unrestricted funds	389,878	
Restricted funds	70,708	
	<u>460,586</u>	
For the year ended 31 December 2015		
Unrestricted funds		314,943
Restricted funds		40,384
		<u>355,327</u>

Of the above staff costs, £28,060 (2015: £73,468) has been funded through grants.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

9 Support costs	Support costs £	Governance costs £	2016 £	2015 £	Basis of allocation
Staff costs	-	24,916	24,916	15,759	Staff time
Insurance	5,493	-	5,493	5,010	Estimated usage
Telephone	7,375	-	7,375	6,643	Estimated usage
Postage and stationery	11,887	-	11,887	12,157	Estimated usage
Audit fees	-	2,700	2,700	2,620	Governance
Accountancy	-	1,200	1,200	2,420	Governance
Legal and professional	-	2,504	2,504	4,007	Governance
	<u>24,755</u>	<u>31,320</u>	<u>56,075</u>	<u>48,616</u>	
Analysed between					
Fundraising	12,598	-	12,598	12,331	
Charitable activities	12,157	31,320	43,477	36,285	
	<u>24,755</u>	<u>31,320</u>	<u>56,075</u>	<u>48,616</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	2016 £	2015 £
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	2,700	2,620
Depreciation of owned tangible fixed assets	38,405	25,768
Depreciation of tangible fixed assets held under finance leases	962	1,203
	<u>42,067</u>	<u>29,591</u>

Fees payable to the company's auditor for other services totalled £2,562 (2015: £3,591).

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 2016 or 2015.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2016 Number	2015 Number
Charitable activities and administration	20	19

Employment costs

	2016 £	2015 £
Wages and salaries	278,038	235,468
Social security costs	15,458	14,264
Other pension costs	12,075	6,778
	<u>305,571</u>	<u>256,510</u>

The average number of full-time equivalent employees during the year was 13 (2015: 12).

Of the above, £28,060 (2015: £73,468) has been funded through grants.

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

13 Intangible fixed assets

	Fishing rights £
Cost	
At 1 January 2016 and 31 December 2016	1,391
Amortisation and impairment	
At 1 January 2016 and 31 December 2016	-
Carrying amount	
At 31 December 2016	1,391
At 31 December 2015	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 2016

14 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers	Motor vehicles £	Total £
Cost						
At 1 January 2016	1,724,063	115,640	38,364	21,566	14,345	1,913,978
Additions	51,505	-	49,154	14,042	-	114,701
At 31 December 2016	1,775,568	115,640	87,518	35,608	14,345	2,028,679
Depreciation and impairment						
At 1 January 2016	77,748	59,606	26,543	19,228	5,575	188,700
Depreciation charged in the year	11,504	8,509	12,195	5,405	1,754	39,367
At 31 December 2016	89,252	68,115	38,738	24,633	7,329	228,067
Carrying amount						
At 31 December 2016	1,686,316	47,525	48,780	10,975	7,016	1,800,612
At 31 December 2015	1,646,315	56,034	11,821	2,338	8,770	1,725,278

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £962 (2015 - £1,203) for the year.

	2016 £	2015 £
Motor vehicles	-	4,810

15 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,739	2,401
Carrying amount of financial liabilities		
Measured at amortised cost	46,036	32,706

16 Stocks	2016 £	2015 £
Finished goods and goods for resale	5,513	4,061

17 Debtors	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,739	2,401
Prepayments and accrued income	134,947	13,122
	138,686	15,523

18 Loans and overdrafts	2016 £	2015 £
Other loans	15,000	20,000
Payable within one year	5,000	10,000
Payable after one year	10,000	10,000

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

18 Loans and overdrafts

(Continued)

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

No security has been provided for these loans.

19 Finance lease commitments

Future minimum lease payments due under finance leases:

	2016 £	2015 £
Within one year	-	1,632

20 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Obligations under finance leases		-	1,632
Concessionary loans		5,000	10,000
Other taxation and social security		5,338	3,676
Deferred income	21	-	1,515
Trade creditors		26,550	4,849
Accruals		4,486	6,225
		<u>41,374</u>	<u>27,897</u>

21 Deferred income

	2016 £	2015 £
Other deferred income	-	1,515

Deferred income in 2015 consisted of income received for the London to Paris cycle taking place in 2016.

22 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 £12,075 (2015: £6,778). There were no unpaid contributions at the year end (2015: £Nil).

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

23 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 2016 £
	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Transfers £	
Centre building costs	1,646,315	-	-	(11,160)	1,635,155
Oxygen tank	9,600	3,000	-	(1,200)	11,400
Physiotherapy	5,750	9,250	(15,000)	-	-
Outreach	13,535	24,712	(14,678)	(1,174)	22,395
Equipment for treatments	7,220	42,347	(3,309)	(9,253)	37,005
Trees	60	-	(60)	-	-
Sunley Suite	2,410	27,500	-	(665)	29,245
Respite care	1,651	9,850	(10,673)	(165)	663
Student placement	9,238	-	(9,238)	-	-
Counselling	9,750	5,000	(14,750)	-	-
Journey Garden	-	2,100	-	-	2,100
Carers Grant	-	3,000	(3,000)	-	-
	<u>1,705,529</u>	<u>126,759</u>	<u>(70,708)</u>	<u>(23,617)</u>	<u>1,737,963</u>

Transfers between funds

During the year the trustees approved transfers between restricted and unrestricted funds of £23,617 (2015; £16,442).

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 2016

23 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.

Oxygen

Funds to supply oxygen for therapy treatments.

Physiotherapy

Grants provided to go towards salaries and equipment costs. Main grant funders are Duchy Health Charity, February Foundation, Susanna Peake Charitable Trust, Trusthouse Charitable Foundation and the Wilfred Bruce Davis Charitable Trust.

Outreach

Various restricted grants provided for outreach salaries and equipment. Main grant funders are Duchy Health Charity, Cornwall Council, Foresters Charity Stewards UK Trust, Newby Trust and the Winnifred Potter Charitable Trust.

Equipment for treatments

Various restricted grants provided to the charity for the purchase of equipment to be used during the treatments provided to patients. Main grant funders are Wilfred Bruce Davis Charitable Trust, Morrisions Foundation, St James Place Wealth Management Trust and the Bridging Fund Charitable Trust.

Trees

Donation from the Silvanus Trust to plant trees in the grounds as part of a tree planting year.

Sunley Suite

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

Respite care

Funding provided for salaries and equipment from Anton Jurgens Charity Fund, Casa Stella Trust, Health & Wellbeing CRCC and the Souter Charitable Trust.

Student placement

Donations from the family of the late Karen Medlyn will sustain a post for a student placement yearly for one day a week to provide experience for anyone wishing to go into Nursing Physiotherapy or Occupational Therapy.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

23 Restricted funds

(Continued)

Counselling

Various grants received to provide free counselling services in future years.

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.

Carers Grant

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

24 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 2016 £
	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Transfers £	
Designated fund	500,000	-	-	500,000	1,000,000
General fixed asset fund	54,426	-	(15,750)	46,773	85,449
	<u>554,426</u>	<u>-</u>	<u>(15,750)</u>	<u>546,773</u>	<u>1,085,449</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 (2015: £500,000) towards a future capital project.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

25 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 December 2016 are represented by:			
Intangible fixed assets	1,391	-	1,391
Tangible assets	85,449	1,715,163	1,800,612
Current assets/(liabilities)	1,215,245	22,800	1,238,045
Long term liabilities	(10,000)	-	(10,000)
	<u>1,292,085</u>	<u>1,737,963</u>	<u>3,030,048</u>

26 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:

	2016 £	2015 £
Within one year	4,346	4,346
Between two and five years	4,026	8,372
	<u>8,372</u>	<u>12,718</u>

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	<u>30,251</u>	<u>28,677</u>

No guarantees have been given or received.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

27 Related party transactions

(Continued)

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

During the year 7 (2015: 7) trustees made donations without conditions attached to the charity totalling £1,882 (2015: £3,481).

Mr MEF James, is also a director of Hewaswater Engineering Ltd. During the year Hewaswater Engineering Ltd provided services of £Nil (2015: £412) to Merlin MS Centre Ltd under normal commercial terms. £Nil (2015: £Nil) was outstanding at the year end.

Mrs SJ Coode, trustee, is also a trustee of Duchy Health Charity Limited which provided a grant of £16,200 (2015: £11,250) to Merlin MS Centre Ltd during the year to part fund the physiotherapist's salary. £4,050 (2015: £Nil) 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 £3,860 (2015: £3,626) to Probus Surgical Centre Ltd on normal commercial terms. £225 (2015: £Nil) was outstanding at the year end.

In 2014 solar panels were purchased and installed at the Merlin MS Centre Ltd. Mr SP Sherrard, Chairman, MJ Gifford, trustee, and Mr MJ Ford, trustee, each provided interest free loans of £5,000 for this purpose. During the year a total of £5,000 (2015: £Nil) was repaid to MJ Gifford (appointed on 4 January 2016, provided a loan in 2014 when he was not a trustee). At the year end £10,000 (2015: £15,000) was outstanding and included in liabilities.

28 Cash generated from operations	2016 £	2015 £
Surplus for the year	645,648	611,967
Adjustments for:		
Investment income recognised in profit or loss	(7,950)	(1,160)
Depreciation and impairment of tangible fixed assets	39,367	26,971
Movements in working capital:		
(Increase) in stocks	(1,452)	(3,208)
(Increase) in debtors	(123,163)	(11,411)
Increase in creditors	21,624	1,368
(Decrease)/increase in deferred income	(1,515)	1,185
Cash generated from operations	572,559	625,712

