

Charity Registration No. 1093691

Company Registration No. 04460611 (England and Wales)

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Dr EJ Campbell
Mr C Clark QC
Mrs SJ Coode MBE DL
Mr M Gifford
Mr MEF James
Mr T Sneddon - Chairman
Mr M Ward
Mr D Phyll (Appointed 8 December 2021)

Secretary Mr AE James - resigned 7 March 2022

Centre Manager Ms S Snell

Charity number 1093691

Company number 04460611

Principal address

Bradbury House
Hewas Water
ST AUSTELL
Cornwall
PL26 7JF

www.merlinmscentre.org.uk

Registered office

Bradbury House
Hewas Water
ST AUSTELL
Cornwall
PL26 7JF

Independent examiner

Mark Williams FCA DChA
RRL LLP
Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Bankers

Barclays Bank PLC
Truro Group
55A Bank Street
NEWQUAY
Cornwall
TR7 1JE

HSBC Bank PLC
45 Commercial Street
CAMBORNE
Cornwall
TR14 8AX

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Santander PLC
Milford House
Pynes Hill
EXETER
Devon
EX2 5TH

Solicitors

Coodes Solicitors
8 Race Hill
LAUNCESTON
Cornwall
PL15 9BA

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

After another very successful year the Trustees are really pleased to put on record their thanks to our staff, volunteers and funders who have each played their important part in continuing the significant progress we reported in our last Annual statement.

It would be inappropriate not to mention the passing of our founder, Derek Murphy earlier this year. Derek was an intelligent, courteous, kind gentleman who had a great sense of humour. He worked tirelessly with his wife Eileen, also deceased, and others to establish his very clear vision of Cornwall's first MS Therapy Centre. He was incredibly proud of his legacy and was always delighted to hear how the Centre was developing and over the years extending its reach to adults with many other neurological conditions too.

Repeating the introduction to our new 2021 Impact Report describes the challenging context in which the growth in our services and our improving financial resilience are even more note-worthy:-

"Flexibility, adaptability, strength, resilience, determination, and hard work... Many words can describe how the team responded to what was undoubtedly the hardest two years in the charity's history.

The pandemic has been challenging in so many ways – having to work and think differently; introducing new safety measures; wearing PPE; furloughing of staff; working from home; a much-reduced capacity; and continuing uncertainty have all added to the difficulties.

But for our service users and their families, it was so much harder. Living with a long-term health condition is challenging enough, but to lose access to a familiar supportive place was disheartening and, in some cases, devastating. That was why it was so important for us to adapt and make sure we could 'Keep in Touch' with the people who needed us during the first lockdown."

As reported last year the Charity became debt free as a result of a major donation from the Elwyn Thomas Memorial Trust. The freeing of this burden enabled our management to focus on expanding service delivery and with their continued financial prudence the charity continues to significantly improve its financial resilience and efficiency.

Some key financial figures are

Factor	2021	2020	Change
Total Income	£748,649	£579,780	+29%
Donations and legacies	£567,805	£445,733	+27%
Charitable activities	£95,950	£65,958	+45%
Other trading	£84,890	£68,072	+25%
Income raised per expenditure £	£12.88	£6.88	+87%
Number of employees	10	14	-29%
Income per employee	£74,864	£41,413	+81%
Employee costs as % of funds raised	29.8%	45.4%	

These statistics are testament to the skills and success of the management team clearly demonstrating the continuing journey towards the future sustainability of the charity.

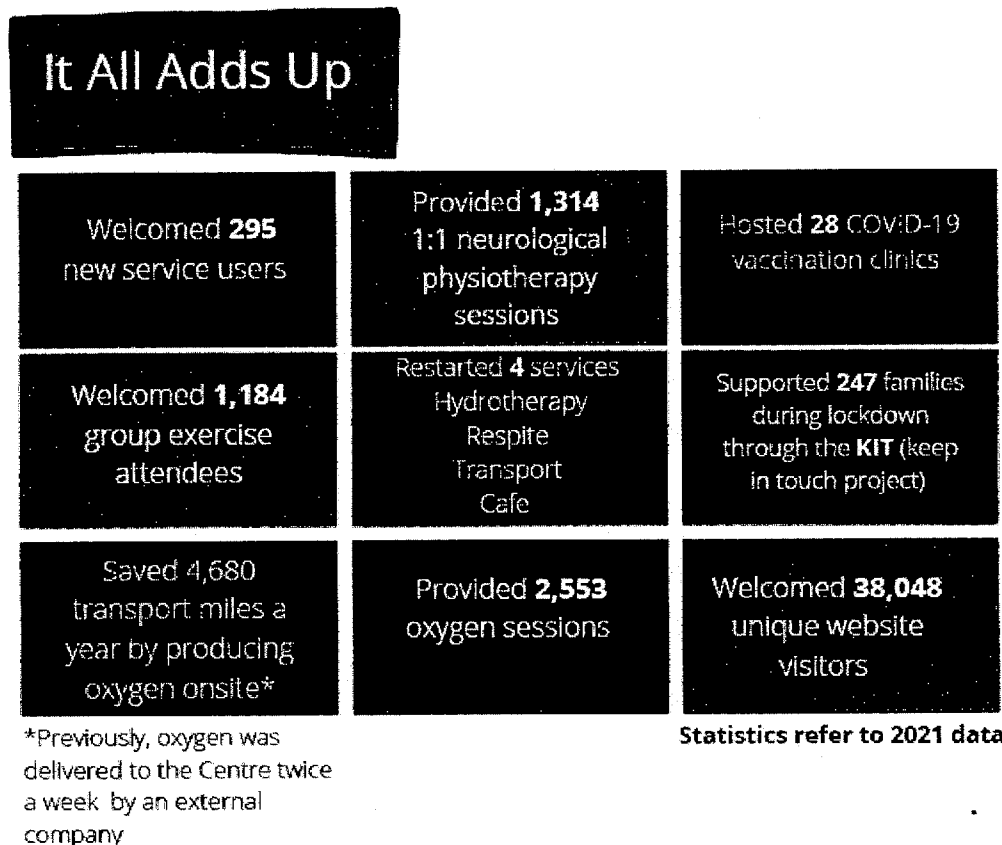
Leaving aside these impressive financial changes the Trustees are even more pleased with the extent to which the charity has been able to provide an expanding range of support to an increasingly diverse group of beneficiaries.

This visual from our Impact Report 2021 evidences some of our activities.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021



This snap-shot belies the huge amount of dedication by our staff and our many volunteers who generously give of their time with untold and immeasurable benefits to many, many people. Thank you.

In last year's report Trustees gave an indication of development plans for the charity and it now seems an appropriate time to report progress on a number of these initiatives.

- The Primrose Hydrotherapy pool has been refurbished and is now supported by ground source heating so improving both our carbon footprint and reducing the running costs of the pool
- The Merlin Suite has been re-floored so that this multi-use space can now be used for a wider range of day respite sessions and smaller exercise groups and physio assessments
- A collaborative and positive relationship has been established with the Little Flippers Swim Academy which teaches babies, toddlers and older children to swim

As well as our 600 registered users, the Centre is a health hub for the wider community with clinical rooms hired out to other health practitioners including two GP/Nurse consulting rooms; weekly Podiatry and Orthotic Clinics; Audiology; Counselling and Complementary therapies. Pre-Covid we saw around 100 visitors a day - numbers are beginning to grow again to this number.

While the primary focus of this report is rightly looking back at the calendar year ending December 2021 it is most important that Trustees also take the opportunity of communicating our plans for the charity and its continuing evolution.

During the past two years we have begun to realise and release the true potential of Trustees, managers, staff, volunteers and service users working more closely together. Groups meet regularly to discuss strategy development; finance and income generation; operations and people. There have been many positive and creative ideas emanating from such collaborative working always focused on supporting our current and future beneficiaries.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

While continuing the legacy of Derek Murphy the Charity continues to evolve and innovate to meet the identified needs of people with neurological conditions. With less than 30% of our clients having MS the Trustees and management have been consulting on a more appropriate and inclusive name for the charity. These discussions continue and the outcome will be formalised in the next few months.

One of the key developments in this past year expanding our client population has been the opportunity of providing Ayres Sensory Integration (ASI) Therapy primarily to a younger group of clients with neuro-diversities. While the Covid pandemic had a delaying effect on the start of this new and exciting extension of both therapies and client groups the service is now expanding and being supported by the recruitment of further specialist staff.

Mention was made in last year's report of plans for a Sensory Therapy Garden adjacent to the Centre. Trustees are delighted and appreciative that The Band Trust has generously provided funding for such a development.

The concept has been conceived by a local garden designer who has worked with the Merlin therapy team to replicate the challenging terrains that disabled individuals need to negotiate around Cornwall – either walking (with or without walking aids) or using wheelchairs or mobility scooters. Clients often find the prospect of getting around parts of the County very challenging. Truro, for example, with its cobbled streets and variable curbs, can be quite daunting particularly when coupled with crowds and traffic. The garden will give individuals a safe environment to build confidence in their mobility and further develop their wheelchair skills.

In addition, the outside therapy area will include appropriate equipment for running ASI Therapy services for our new younger user group as well as our adult clients. As demand for our services has increased, we are keen to utilise all our spaces to support individuals with their therapy, and the benefits of being outside are well recognised for improving mental health.

Plans and designs are currently being finalised with the intention of beginning ground works in September and completion by late Autumn.

Our charity is one of 10 charities in Cornwall who are part of a Disability Alliance which work together to improve services and facilities; enhancing the lives of people living with disabilities - we plan to promote the sensory garden space to other disability charities to use.

As Trustees reflect on the past 18 months and look forward there is a sense of excitement and anticipation of the increasing range of support available to current and future people who might need our services either for a short while or on a longer-term basis depending upon their individual condition. This new reality doesn't happen by chance. We are indebted to the dedication of our staff being very effectively led by a small management team of Sarah Snell (Centre Manager); Melissa King (Clinical Lead) and Sarah O'Brien (Finance Manager) not forgetting the many, many volunteers who give generously of their time to support our Charity.

Trustees also wish to record their appreciation and thanks to the many benefactors and donors who have supported the charity and trust that the positive outlook for the charity and its expanding services will continue to find favour in the future.

As Chair of Trustees, I welcome David Phyll as a Trustee. David has real in-depth experience and expertise in a wide range of skills that are already benefitting our charity. I also want to thank Andrew James for his support while a Trustee.

I would be remiss not to place on record my thanks for the wise counsel and support from my colleague Trustees and look forward to continuing our journey together.

Tom Sneddon

Chairman

Dated: 15 June 2022

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)."

Objectives and activities

The charitable aim of the charity is to provide subsidised therapies, support, information, and a community for adults living with a neurological condition (including Multiple Sclerosis, Parkinson's, Stroke, and chronic fatigue syndrome) in Cornwall. This financial assistance enables beneficiaries, who might not otherwise be able to afford such therapies, to benefit from the Centre facilities. In 2022 the Charity extended its support to children and young people with neuro diversities by offering Sensory Integration therapies, assessments, and reports.

Therapies delivered by appropriately qualified and experienced professionals include physiotherapy, group exercise, hydrotherapy, oxygen therapy, and day respite. Having a long-term condition brings many challenges, not just for those diagnosed, but for family too. Therefore, the support extends to the wider family through peer support, information, advocacy services and therapies.

The charity also seeks to raise awareness of the challenges faced by those living with neurological conditions and generates income to keep the Centre operational and provide services at subsidised rates.

In addition, it acts as a health hub for the wider community by providing clinical and therapy space for hire. Currently there is a GP Practice, Podiatry and Orthotics, Audiology; Counselling and Advocacy Services; and Complementary therapies operating from the Centre.

Public benefit

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

Achievements and performance

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

Financial review

Reserves policy

The level of unrestricted general reserves at the year end was £251,863 (2020: £20,805). 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. The above balance represents approximately 6 months running costs. In 2021 funds totalling £400,000 were distributed from the Elwyn Thomas Memorial Trust, a discretionary trust established from the proceeds of the Will of Mr Thomas in which Merlin MS Centre was one of the named charity beneficiaries. The funds were used to ensure the financial stability of the Charity by supporting core costs during COVID restrictions; settling outstanding loans of £185k; and setting aside monies for an endowment fund to gradually build up reserves. From this funding the trustees have created two designated funds, £50,000 being earmarked as a Development fund to support the charity's strategic aims, and a further £50,000 into a Buildings and Environmental Sustainability fund.

Investment Policy

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Plans for the future

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

Structure, governance and management

Governing document

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

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

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

Dr EJ Campbell	
Mr C Clark QC	
Mrs SJ Coode MBE DL	
Mr M Gifford	
Mr AE James	(Resigned 7 March 2022)
Mr MEF James	
Mr SBB Lawrence	(Resigned 4 October 2021)
Mr DA Perks	(Resigned 4 October 2021)
Mr T Sneddon - Chairman	
Mr M Ward	
Mr D Phyll	(Appointed 8 December 2021)

Recruitment and appointment of new trustees

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

Organisational structure

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

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

Induction and training of new trustees

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

Wider network

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Related parties

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

Remuneration policy for key management

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

The pay of staff is reviewed annually by the trustees 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.

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



Mr T Sneddon - Chairman

Trustee

Dated: 27 July 2022

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

INDEPENDENT EXAMINER'S REPORT

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

I report to the trustees on my examination of the financial statements of Merlin MS Centre Ltd (Limited by Guarantee) (the charity) for the year ended 31 December 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Mark Williams

Mark Williams FCA DChA

RRL LLP
Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

Dated: 27.12.2022

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	561,206	6,599	567,805	401,233	44,500	445,733
Charitable activities	6	90,350	-	90,350	61,227	-	61,227
Other trading activities	4	90,490	-	90,490	72,803	-	72,803
Investments	5	4	-	4	17	-	17
Total income		742,050	6,599	748,649	535,280	44,500	579,780
Expenditure on:							
Raising funds	7	58,115	-	58,115	84,076	-	84,076
Charitable activities	8	392,705	5,000	397,705	331,755	43,537	375,292
Total resources expended		450,820	5,000	455,820	415,831	43,537	459,368
Net gains on investments	13	5,798	-	5,798	3,607	-	3,607
Net incoming resources before transfers		297,028	1,599	298,627	123,056	963	124,019
Gross transfers between funds		32,362	(32,362)	-	44,065	(44,065)	-
Net movement in funds		329,390	(30,763)	298,627	167,121	(43,102)	124,019
Fund balances at 1 January 2021		914,721	1,971,267	2,885,988	747,600	2,014,369	2,761,969
Fund balances at 31 December 2021		1,244,111	1,940,504	3,184,615	914,721	1,971,267	2,885,988

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 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	14		1,391		1,391
Tangible assets	16		2,827,290		2,854,476
Investments	15		67,599		61,297
			<u>2,896,280</u>		<u>2,917,164</u>
Current assets					
Stocks	18	528		2,577	
Debtors	19	11,985		7,781	
Cash at bank and in hand		293,213		191,443	
			<u>305,726</u>	<u>201,801</u>	
Creditors: amounts falling due within one year	21		<u>(17,391)</u>	<u>(232,977)</u>	
Net current assets/(liabilities)			288,335		(31,176)
Total assets less current liabilities			<u>3,184,615</u>		<u>2,885,988</u>
Income funds					
Restricted funds	24		1,940,504		1,971,267
<u>Unrestricted funds</u>					
Designated funds	25	992,248		893,916	
General unrestricted funds		251,863		20,805	
			<u>1,244,111</u>		<u>914,721</u>
			<u>3,184,615</u>		<u>2,885,988</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the Trustees on 27 July 2022



Mr T Sneddon - Chairman
Trustee

Company Registration No. 04460611

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	29		355,166		244,563
Investing activities					
Purchase of tangible fixed assets		(72,896)		(68,326)	
Purchase of investments		(504)		(57,690)	
Investment income received		4		17	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(73,396)		(125,999)
Financing activities					
Repayment of borrowings		(180,000)		(25,000)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(180,000)		(25,000)
Net increase in cash and cash equivalents			101,770		93,564
Cash and cash equivalents at beginning of year			191,443		97,879
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			293,213		191,443
			<u> </u>		<u> </u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 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.

2 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.

2.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

2.2 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.

2.3 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.

Designated funds are where the donor has expressed a wish for the funds to be spent on a particular item, project, or service, but the money may still be reallocated towards core operational costs at the Trustees discretion.

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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

2.4 Income

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.

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.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

2.5 Expenditure

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.

2.6 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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2.7 Tangible fixed assets

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

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

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

2.8 Fixed asset investments

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

2.9 Impairment of fixed assets

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

2.10 Stocks

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

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

2.11 Cash and cash equivalents

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

2.12 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies

(Continued)

Derecognition of financial liabilities

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

2.13 Employee benefits

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

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

2.14 Retirement benefits

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

2.15 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.

2.16 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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	57,386	-	57,386	130,643	-	130,643
Legacies receivable	410,748	-	410,748	133,464	-	133,464
Grants receivable	93,072	6,599	99,671	137,126	44,500	181,626
	<u>561,206</u>	<u>6,599</u>	<u>567,805</u>	<u>401,233</u>	<u>44,500</u>	<u>445,733</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.

Within legacies receivable is £400,000 (2020: £125,000) from the Elwyn Thomas Memorial Trust.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

(Continued)

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Grants receivable for core activities						
Disability Cornwall	11,357	-	11,357	-	-	-
Garfield Weston Foundation	25,000	-	25,000	-	-	-
Cornwall Council Funding - Covid-19 support	10,050	-	10,050	17,097	-	17,097
Edward Gostling Foundation	-	-	-	-	14,500	14,500
Duchy Health Charity	-	-	-	5,000	-	5,000
Thomas J Horne Memorial Trust	8,500	-	8,500	8,500	-	8,500
The Waterloo Foundation	-	-	-	10,000	-	10,000
Cornwall Councillors Community Chest	-	-	-	7,540	-	7,540
National Lottery	-	-	-	8,800	25,000	33,800
HMRC Job Retention Scheme Funding	17,055	-	17,055	47,264	-	47,264
Other	21,110	6,599	27,709	32,925	5,000	37,925
	<u>93,072</u>	<u>6,599</u>	<u>99,671</u>	<u>137,126</u>	<u>44,500</u>	<u>181,626</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

(Continued)

The amounts included in other grants include the following:

Restricted:

£1,599 - Fowey Hospital

£5,000 - February Foundation

Unrestricted:

£4,500 - Grocers Charity

£2,000 - Vandervell Foundation

£2,000 - Souter Charitable Trust

£2,000 - The Hospital Saturday Fund

Equal to/less than £1,000 - Various charitable entities, totalling £7,110

Included within unrestricted funds are the following designated donations/grants:

£11,357 - Disability Cornwall (Covid support)

£2,000 - The Albert Van den Bergh (resume respite and community transport)

£1,500 - Winnifred Potter Charitable Trust (resume respite and community transport)

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising events	28,236	33,990
Retail and Café income	24,677	18,142
Room hire	37,577	20,671
Other trading activities	90,490	72,803

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	4	17

6 Charitable activities

	2021	2020
	£	£
Therapies	90,350	61,227

7 Raising funds

	2021	2020
	£	£
<u>Income generation</u>		
Marketing and publicity	656	781
Other fundraising costs	13,447	6,908
Staff costs	36,180	69,996
Support costs	7,832	6,391
Income generation	58,115	84,076

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Charitable activities

	2021 £	2020 £
Staff costs	159,393	164,329
Depreciation and impairment	100,082	95,650
Light and heat	20,752	14,423
Repairs and renewals	17,272	20,028
Subscriptions	1,085	1,344
Subsidised therapy costs	22,816	8,076
Travel and subsistence	1,997	5,170
Cleaning	13,540	4,158
Rent and rates	6,916	4,957
Bank charges	1,310	1,219
Entertainment	1,600	-
	<u>346,763</u>	<u>319,354</u>
Share of support costs (see note 12)	39,652	14,456
Share of governance costs (see note 12)	11,290	41,482
	<u>397,705</u>	<u>375,292</u>
Analysis by fund		
Unrestricted funds	392,705	331,755
Restricted funds	5,000	43,537
	<u>397,705</u>	<u>375,292</u>

9 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	<u>100,082</u>	<u>95,650</u>

10 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 2021 or 2020.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities and administration	10	14
	<u> </u>	<u> </u>
Employment costs	2021 £	2020 £
Wages and salaries	204,946	244,154
Social security costs	15,034	14,401
Other pension costs	3,403	4,796
	<u> </u>	<u> </u>
	223,383	263,351
	<u> </u>	<u> </u>

Included within wages and salaries is £Nil (2020: £10,500) of restructuring costs.

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Support costs

	Support costs £	Governance costs £	2021 £	2020 £	Basis of allocation
Staff costs	22,810	5,000	27,810	29,026	Staff time
Insurance	5,332	-	5,332	5,289	Estimated usage
Telephone	11,378	-	11,378	9,213	Estimated usage
Postage and stationery	7,964	-	7,964	6,345	Estimated usage
Accountancy	-	2,220	2,220	2,920	Governance
Legal and professional	-	1,850	1,850	6,726	Governance
Independent Examiner's Fees	-	2,220	2,220	2,810	Governance
	<u>47,484</u>	<u>11,290</u>	<u>58,774</u>	<u>62,329</u>	
Analysed between					
Fundraising	7,832	-	7,832	6,391	
Charitable activities	39,652	11,290	50,942	55,938	
	<u>47,484</u>	<u>11,290</u>	<u>58,774</u>	<u>62,329</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.

13 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Revaluation of investments	<u>5,798</u>	<u>3,607</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Intangible fixed assets

	Fishing rights £
Cost	
At 1 January 2021 and 31 December 2021	1,391
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	-
Carrying amount	
At 31 December 2021	1,391
At 31 December 2020	1,391

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

15 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2021	61,297
Additions	504
Valuation changes	5,798
At 31 December 2021	67,599
Carrying amount	
At 31 December 2021	67,599
At 31 December 2020	61,297

The cost of the above investments as at 31 December 2021 was £58,194 (2020: £57,690).

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16	Tangible fixed assets	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers	Motor vehicles £	Total £
	Cost						
	At 1 January 2021	2,565,122	578,079	102,608	37,982	41,267	3,325,058
	Additions	-	71,064	1,832	-	-	72,896
	At 31 December 2021	2,565,122	649,143	104,440	37,982	41,267	3,397,954
	Depreciation and impairment						
	At 1 January 2021	151,059	154,890	92,649	37,982	34,002	470,582
	Depreciation charged in the year	27,295	63,269	2,255	-	7,263	100,082
	At 31 December 2021	178,354	218,159	94,904	37,982	41,265	570,664
	Carrying amount						
	At 31 December 2021	2,386,768	430,984	9,536	-	2	2,827,290
	At 31 December 2020	2,414,063	423,189	9,959	-	7,265	2,854,476

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

- 24 -

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Retirement benefit schemes

Defined contribution schemes

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

The pension costs for the year represent the contributions payable by the charity to the independently administered pension fund and amounted to £3,692 (2020: £4,796). There were no unpaid contributions at the year end (2020: £Nil).

The charge to profit or loss in respect of defined contribution schemes was £3,692 (2020: £4,796).

23 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 31 December 2021 are represented by:						
Intangible fixed assets	1,391	-	1,391	1,391	-	1,391
Tangible assets	877,529	1,949,761	2,827,290	890,309	1,964,167	2,854,476
Investments	67,599	-	67,599	61,297	-	61,297
Current assets/ (liabilities)	281,235	7,100	288,335	(38,276)	7,100	(31,176)
	<u>1,227,754</u>	<u>1,956,861</u>	<u>3,184,615</u>	<u>914,721</u>	<u>1,971,267</u>	<u>2,885,988</u>

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Restricted funds

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

	Movement in funds					Movement in funds					Balance at 31 December 2021
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers			
	£	£	£	£	£	£	£	£	£		
Centre building costs	1,601,675	-	-	(11,160)	1,590,515	-	-	(11,160)	1,579,355		
Oxygen tank	6,000	-	-	(4,800)	1,200	-	-	(1,200)	-		
Fowey Hospital	-	-	-	-	-	1,599	-	-	1,599		
February Foundation	-	-	-	-	-	5,000	-	-	5,000		
Outreach	294	-	-	(294)	-	-	-	-	-		
Equipment for treatments	8,424	-	-	(8,116)	308	-	-	(308)	-		
Sunley Suite	26,768	-	-	(183)	26,585	-	-	(183)	26,402		
Respite Care	-	5,000	(5,000)	-	-	-	-	-	-		
Journey Garden	2,100	-	-	-	2,100	-	-	-	2,100		
Hydrotherapy Pool	286,680	-	-	(7,750)	278,930	-	-	(7,750)	271,180		
Minibus	14,527	-	-	(7,263)	7,264	-	-	(7,263)	1		
Sensory Room	2,901	-	-	(1,451)	1,450	-	-	(1,450)	-		
Oxygen Generator	65,000	-	(4,037)	(3,048)	57,915	-	-	(3,048)	54,867		
National Lottery Grant	-	25,000	(25,000)	-	-	-	-	-	-		
Edward Gosling Foundation	-	14,500	(9,500)	-	5,000	-	(5,000)	-	-		
	2,014,369	44,500	(43,537)	(44,065)	1,971,267	6,599	(5,000)	(32,362)	1,940,504		

£1,938,404 of the above funds are capital funds which have been expended and are reducing in line with depreciation.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Restricted funds (Continued)

Transfers between funds

During the year the trustees approved transfers between restricted and unrestricted funds of £32,362 (2020: £44,065).

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

Description nature and purpose of restricted funds

Centre building costs

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

Oxygen tank

Funds to provide an additional oxygen tank.

Fowey Hospital

For the purchase of more comfortable chairs for use in the oxygen chambers.

February Foundation

Towards the cost of a Therabike and hoist.

Outreach

Various restricted grants provided for outreach salaries and equipment.

Equipment for treatments

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

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Restricted funds (Continued)

Respite care

Funding provided for salaries and equipment.

Journey Garden

Grants to provide a specially designed garden for the purposes of occupational therapy.

Hydrotherapy Pool

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.

Oxygen Generator

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

National Lottery

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

Edward Gostling Foundation

Funding received to support the Keep in Touch service.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Restricted funds

(Continued)

Sunley Suite

A change in usage of the Sunley Suite from a conference room to provide a sensory room and three therapy rooms was funded in the main by grants.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

25 Designated funds

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

	Balance at 1 January 2020	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2021	Movement in funds				Balance at 31 December 2021
						Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£	£	£	£	£
General fixed asset fund	934,531	(51,585)	7,363	-	890,309	-	(67,720)	54,940	-	877,529
Fair value reserve	-	-	-	3,607	3,607	-	-	-	5,798	9,405
Specific project fund	-	-	-	-	-	14,857	(9,543)	-	-	5,314
Development fund	-	-	-	-	-	-	-	50,000	-	50,000
Buildings and Environmental Sustainability fund	-	-	-	-	-	-	-	50,000	-	50,000
	934,531	(51,585)	7,363	3,607	893,916	14,857	(77,263)	154,940	5,798	992,248

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

Fair value reserve - represents the non-distributable profits (fair value gains/losses) of the investments held by the charity.

Specific project fund - donations/grants received designated in relation to Covid support, resumption of respite and community transport work.

Development fund - supporting the charity's strategic aims.

Buildings and Environmental Sustainability fund - supporting the charity's building and environmental sustainability.

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	64,334	33,641

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

Mr ME James, trustee, provided an interest free loan of £25,000 during the year ended 31 December 2019. At the start of the year, £25,000 was outstanding and included in creditors, and at the year end the balance included in creditors was £Nil.

27 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:

	2021 £	2020 £
Within one year	6,511	7,501
Between two and five years	13,565	20,075
	20,076	27,576

28 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	191,443	101,770	293,213
Loans falling due within one year	(180,000)	180,000	-
	11,443	281,770	293,213

MERLIN MS CENTRE LTD (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

29	Cash generated from operations	2021 £	2020 £
	Surplus for the year	298,627	124,019
	Adjustments for:		
	Investment income recognised in statement of financial activities	(4)	(17)
	Fair value gains and losses on investments	(5,798)	(3,607)
	Depreciation and impairment of tangible fixed assets	100,082	95,650
	Movements in working capital:		
	Decrease/(increase) in stocks	2,049	(1,848)
	(Increase)/decrease in debtors	(4,204)	14,893
	(Decrease)/increase in creditors	(35,586)	15,473
	Cash generated from operations	355,166	244,563
