

Charity registration number 1093691

Company registration number 04460611 (England and Wales)

**MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## LEGAL AND ADMINISTRATIVE INFORMATION

---

<b>Trustees</b>	Dr EJ Campbell Mrs SJ Coode MBE DL Mr M Gifford Mr MEF James Mr T Sneddon - Chairman Mr M Ward Mr D Phyll Mr B Pooley (Appointed 23 January 2023)
<b>Secretary</b>	Mr B Pooley - appointed 23 January 2023 Mr AE James - resigned 7 March 2022
<b>Centre Manager</b>	Ms S Snell
<b>Charity number</b>	1093691
<b>Company number</b>	04460611
<b>Principal address</b>	Bradbury House Hewas Water ST AUSTELL Cornwall PL26 7JF  <a href="http://www.merlinmscentre.org.uk">www.merlinmscentre.org.uk</a>
<b>Registered office</b>	Bradbury House Hewas Water ST AUSTELL Cornwall PL26 7JF
<b>Auditor</b>	RRL LLP Peat House Newham Road TRURO Cornwall TR1 2DP
<b>Bankers</b>	Barclays Bank PLC Truro Group 55A Bank Street NEWQUAY Cornwall TR7 1JE  HSBC Bank PLC 45 Commercial Street CAMBORNE Cornwall TR14 8AX

---

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## LEGAL AND ADMINISTRATIVE INFORMATION

---

Santander PLC  
Milford House  
Pynes Hill  
EXETER  
Devon  
EX2 5THI

### **Solicitors**

Coodes Solicitors  
8 Race Hill  
LAUNCESTON  
Cornwall  
PL15 9BA

---

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## CONTENTS

---

	Page
Chairman's statement	1 - 4
Trustees' report	5 - 7
Statement of trustees' responsibilities	8
Independent auditor's report	9 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 36

---

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## CHAIRMAN'S STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

As Trustees we are delighted to report on a further very successful year for the charity when we have continued to evolve and develop as commented upon later in this report. However, none of this would have been possible were it not for the continuing enthusiasm of our wonderful volunteers supported by all our staff. A heart-felt thanks to our funders and benefactors whose contributions and value can never be over-estimated.

We reported last year that given the changing profile of our clients a new name would be more representative of both them and the expanded range of the support that the Charity can offer. After extensive consultation with clients, volunteers, staff and benefactors, Trustees agreed our new registered name as '**Merlin Neuro Therapy Centre Ltd**' and our 'marketing' name as '**Merlin - Cornwall's Neuro Therapy Centre**'.

We also stated in last year's Trustees' Report that, having become debt free, our management would concentrate on expanding service delivery and evolving a client focused three-year strategy.

Through an iterative and engaging process our 4 Key Strategic Aims have emerged as:-

- To involve our core community of beneficiaries, staff, volunteers and key supporters at a strategic level to co-design and co-produce services ensuring that they (the community) feel valued, have opportunities for development and participate in decision making;
- To develop services and facilities to meet our mission and expand our reach;
- To work collaboratively with external partners influencing change and improving service provision across the health and well-being sector;
- To invest in environmentally sustainable projects and digital innovation practices to decrease our carbon footprint, reduce ongoing costs, work smarter and enhance our reputation as an ethical organisation.

Similarly our Vision, Mission and Values have been redefined as

- **Vision** - Dedicated to improving health and well-being (Our inspirational desired change from what the organisation does)
- **Mission** - To be a centre of excellence providing therapies, support, community, and information for anyone affected by a neurological condition in Cornwall (How we achieve the Vision)
- **Values** - To support independence; to encourage confidence; to inspire friendship (Embedded in all that we do)

As we demonstrate in the rest of this report these significant legal and strategic changes are not simply words but are the touchstone and reference for all our actions in the future. Trustees, as the custodians of the charity, can rightly be held to account in the delivery of these Strategic Aims. In future reports we will report against each of them in turn to evidence the continuing progress of the charity.

Many have commented on the usefulness of the table showing the financial key performance indicators and so we continue this and now include data for three years to highlight the progress being made.

However, given the impact of legacy amounts on the overall income the Trustees have restated last year's table of key financial data to highlight both the legacy income variations and the underlying trends of income exclusive of legacy income.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## CHAIRMAN'S STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2022

Factor	2020	2021	2022	2022 v 2021
Total Income	£579,780	£748,649	£684,763	- 8.5%
Donations and legacies	£445,733	£567,805	£329,360	- 42%
Charitable activities	£65,958	£90,350	£155,226	+ 72%
Other trading	£68,072	£90,490	£175,512	+ 94%
Investments	-	4	6,195	New
Other income	-	-	18,470	New
Legacy income	£133,464	£410,746	£51,326	- 87.5%
Total income excluding legacies*	£446,316	£337,903	£633,437	+87%
Number of employees	14	10	13	+3
Charity income* per employee	£31,879	£33,790	£48,726	+44%
Employee costs as % of funds raised	45.4%	29.8%	44.9%	

It is important to note the significant increases in charitable activities and other trading at plus 72% and 94% respectively.

Trustees and management are very aware of the continuing need to balance employee numbers in ensuring the charity can effectively meet the needs of its beneficiaries while maintaining as low ongoing employment costs as possible. The data in the above table suggests that that balance is working to the advantage of the charity with an increase in non-legacy income per employee of +44% compared to the previous year. Average salaries have increased by only 4.4% year on year demonstrating the constraint and good husbandry applied by the senior management team and Trustees.

In addition to the financial figures our recently published 2022 Impact report clearly demonstrated the activities through the year as services began to pick up after Covid.

Activity or sessions	2021	2022	Comments
New service users welcomed	295	150	Initial growth post covid in 2021
Active clients	Unknown	437	Now being recorded
Ayres Sensory Integration Therapy	No service	224	Service commenced 2022
Hydrotherapy sessions	No service	1,353	Services resumed January 2022 after covid
1:1 Neurological physiotherapy	1,314	1,283	Slight drop of 2.4% because same team deliver 1:1 hydrotherapy
Attendees to group exercise	1,184	1,250	Growth of 5.6%
Oxygen therapy sessions delivered	2,553	3,304	Growth of 29.4%
<b>Total Client activity</b>	<b>5,051</b>	<b>7,414</b>	<b>Increase of 47% year on year</b>
New LED bulbs installed		98	New actions 2022
Hours donated by 50 volunteers	Unknown	8,950	
Value of donated volunteer hours at Cornwall average wage		£132,460	

In last year's report, Trustees referred to the generous donation from The Band Trust to fund the development of a Sensory Therapy Garden. This wonderful asset was officially opened on 11 May 2023 by Mrs Edna Liddicoat, who, at 100 years young, is one of Merlin's longest serving volunteers watched by over 70 fellow volunteers, staff, supporters, and funders. This was an evening of celebration and thanks to everyone who has contributed to the continuing growth of the charity.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## CHAIRMAN'S STATEMENT

*FOR THE YEAR ENDED 31 DECEMBER 2022*

---



Edna who cut the ribbon



Trustee David enjoys a 'test drive'

Participation by the charity in the Disability Alliance continues to demonstrate the benefits of collaborative working with other charities in accessing funding, sharing resources and mutual support while also advocating for the needs of all those with a disability.

In a similar vein the Centre maintains its position as a 'health' hub by hosting a range of clinical support services including a GP Practice; Podiatry, Orthotic and Audiology Clinics, Counselling and Complementary services all of which have contributed to an increase of 35% in room hire earnings thereby achieving a twin objective of contribution to core costs and the provision of a range of support services by allied professionals.

Regular joint Trustee, management and staff groups have been extremely useful in sharing the best ideas and practices to implement the new strategy. One positive outcome has been a renewed focus on the maintenance of the Centre and the Hydrotherapy pool. Similarly, a 'deep dive' risk review is underway with the objective of Trustees agreeing a new Risk Strategy by the end of 2023.

Trustees are delighted to record their appreciation to all our staff and in particular the senior leadership team of Sarah Snell, Melissa King and Sarah O'Brien. Without exception each member of staff is highly motivated in supporting our clients and the charity often demonstrated by going well beyond what could normally be expected. These contributions by our excellent skilled staff are more than complemented by the time and commitment of our volunteers. While their 'financial' contribution is the equivalent of a staggering 20% of the total income of the charity they are the lifeblood of many of our services including reception, administration, café, physiotherapy, oxygen therapy not forgetting the pivotal role they play in fundraising. The Trustees would like to express a deep and heartfelt thanks to Merlin staff and volunteers.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## CHAIRMAN'S STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

On behalf of the charity, Trustees are also indebted to our many funders, whether their contribution be large or small. Quite simply the charity would not exist without their support and given the uniqueness of Merlin services that result would have a devastating impact upon the lives of many, many people.

As a Trustee Board we have been delighted to welcome Bernard Pooley as our new Finance Trustee recognising that his vast experience and expertise will be a prime asset to the Board as we continue the growth of the charity.

And finally, I wish to thank colleague Trustees for their continued support, guidance, and counsel as we look forward with confidence to a challenging future.

Tom Sneddon



Dated: 31/08/2023



# **MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

---

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)."

#### **Objectives and activities**

The 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 £281,310 (2021: £251,863). 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 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. A sum of £22,049 has already been utilised from the Buildings and Environmental Sustainability Fund during the year.

##### **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.

##### **Plans for future periods**

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

---

# **MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)**

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

### **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

(Resigned 23 January 2023)

Mrs SJ Coode MBE DL

Mr M Gifford

Mr AE James

(Resigned 7 March 2022)

Mr MEF James

Mr T Sneddon - Chairman

Mr M Ward

Mr D Phyll

Mr B Pooley

(Appointed 23 January 2023)

#### **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.

#### **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.

# **MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)**

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

**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

### **Risk management**

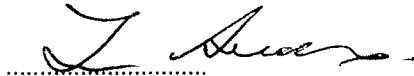
The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

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.

### **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.



TOM SVEDDON

Trustee

Date: 31/08/2023

# **MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

---

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

---

#### Opinion

We have audited the financial statements of Merlin Neuro Therapy Centre Ltd (Limited by Guarantee) (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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.

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

---

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

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

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

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

#### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

As part of our audit work, we obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which they operate. We determined that the laws and regulations surrounding health and safety, GDPR and the safeguarding of vulnerable groups were most significant to the charity as well as the laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Companies Act 2006 and compliance with the Charities Statement of Recommended Practice.

# **MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)**

---

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtain an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates;
- Review of the disclosures in the financial statements and testing to support documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Discussion with management as to how compliance with these laws and regulations is monitored;
- Enquiries of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing minutes of trustee meetings and correspondence with regulators;
- Performing audit work in connection with the risk of management override of controls, including testing journal entries for reasonableness and evaluating the business rationale of significant transactions outside the normal course of business.

We also communicate relevant identified laws and regulations and potential fraud risk to all engagement team members and remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit approach also considered the opportunities and incentives that may exist within the charity for fraud and identified the greatest potential for fraud being in respect of cut off and completion risk around revenue recognition. Under ISA (UK) we are also required to undertake procedures to respond to the risk of management override of controls. Our procedures included the following:

- Undertaking transactional testing on revenue
- Performing completeness testing on a sample of significant projects undertaken during the year
- Performing cut off testing on income
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale for significant transactions outside the normal course of business
- Reviewing estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

---

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RRL LLP

Josh Stevens ACA (Senior Statutory Auditor)  
for and on behalf of RRL LLP

Chartered Accountants  
Statutory Auditor

1/9/2023  
.....

Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP



# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	167,367	161,993	329,360	561,206	6,599	567,805
Charitable activities	4	155,226	-	155,226	90,350	-	90,350
Other trading activities	5	175,512	-	175,512	90,490	-	90,490
Investments	6	6,195	-	6,195	4	-	4
Other income	7	18,470	-	18,470	-	-	-
<b>Total income</b>		<b>522,770</b>	<b>161,993</b>	<b>684,763</b>	<b>742,050</b>	<b>6,599</b>	<b>748,649</b>
<b><u>Expenditure on:</u></b>							
Raising funds	8	74,271	-	74,271	58,115	-	58,115
Charitable activities	9	489,252	14,457	503,709	392,705	5,000	397,705
<b>Total resources expended</b>		<b>563,523</b>	<b>14,457</b>	<b>577,980</b>	<b>450,820</b>	<b>5,000</b>	<b>455,820</b>
Net gains on investments	14	2,198	-	2,198	5,798	-	5,798
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(38,555)</b>	<b>147,536</b>	<b>108,981</b>	<b>297,028</b>	<b>1,599</b>	<b>298,627</b>
Gross transfers between funds		28,963	(28,963)	-	32,362	(32,362)	-
<b>Net movement in funds</b>		<b>(9,592)</b>	<b>118,573</b>	<b>108,981</b>	<b>329,390</b>	<b>(30,763)</b>	<b>298,627</b>
Fund balances at 1 January 2022		1,244,111	1,940,504	3,184,615	914,721	1,971,267	2,885,988
<b>Fund balances at 31 December 2022</b>		<b>1,234,519</b>	<b>2,059,077</b>	<b>3,293,596</b>	<b>1,244,111</b>	<b>1,940,504</b>	<b>3,184,615</b>

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 NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	15		1,391		1,391
Tangible assets	16		2,795,318		2,827,290
Investments	17		69,797		67,599
			<u>2,866,506</u>		<u>2,896,280</u>
<b>Current assets</b>					
Stocks	19		1,065		528
Debtors	20		104,481		11,985
Cash at bank and in hand			353,337		293,213
			<u>458,883</u>		<u>305,726</u>
<b>Creditors: amounts falling due within one year</b>	21		<u>(31,793)</u>		<u>(17,391)</u>
Net current assets			427,090		288,335
<b>Total assets less current liabilities</b>			<u>3,293,596</u>		<u>3,184,615</u>
<b>Income funds</b>					
Restricted funds	24		2,059,077		1,940,504
<u>Unrestricted funds</u>					
Designated funds	25		953,209		992,248
General unrestricted funds			<u>281,310</u>		<u>251,863</u>
			<u>1,234,519</u>		<u>1,244,111</u>
			<u>3,293,596</u>		<u>3,184,615</u>

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 31/08/2023



TOM SNEDDON  
Trustee

Company Registration No. 04460611

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30		105,308		355,166
<b>Investing activities</b>					
Purchase of tangible fixed assets		(67,979)		(72,896)	
Proceeds on disposal of tangible fixed assets		16,600		-	
Purchase of investments		-		(504)	
Investment income received		6,195		4	
<b>Net cash used in investing activities</b>			(45,184)		(73,396)
<b>Financing activities</b>					
Repayment of borrowings		-		(180,000)	
<b>Net cash used in financing activities</b>			-		(180,000)
<b>Net increase in cash and cash equivalents</b>			60,124		101,770
Cash and cash equivalents at beginning of year			293,213		191,443
<b>Cash and cash equivalents at end of year</b>			353,337		293,213

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

##### Charity information

Merlin Neuro Therapy 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.

The charity changed its name from Merlin MS Centre Ltd to Merlin Neuro Therapy Centre Ltd on 11 January 2023.

##### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

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.

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.

##### 1.4 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.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 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 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.

#### 1.6 Intangible fixed assets other than goodwill

Intangible fixed assets are capitalised at cost.

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

Fishing rights	10% on straight line
----------------	----------------------

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### 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	5% - 20% straight line
Fixtures and fittings	10% - 20% straight line
Computers	33% straight line
Motor vehicles	20% straight line

After considering the residual value and economic life of the property, the trustees have decided that it is representative to continue depreciating one third of the cost of the property over 50 years. This is to reflect consumption of the specific design and construction costs relating to the needs of the charity. The remaining two thirds is not depreciated on the basis that it will hold its value. This assumption will be regularly reviewed by professional surveyors to ensure this is a reliable basis on which to prepare the financial statements.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

##### 1.8 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.

##### 1.9 Impairment of fixed assets

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

##### 1.10 Stocks

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

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

##### 1.11 Cash and cash equivalents

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

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### 1.12 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

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

##### **Derecognition of financial liabilities**

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

##### 1.13 Employee benefits

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

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

##### 1.14 Retirement benefits

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

##### 1.15 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.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Donations and gifts	45,391	-	45,391	57,386	-	57,386
Legacies receivable	51,326	-	51,326	410,748	-	410,748
Grants receivable	70,650	161,993	232,643	93,072	6,599	99,671
	<u>167,367</u>	<u>161,993</u>	<u>329,360</u>	<u>561,206</u>	<u>6,599</u>	<u>567,805</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 £Nil (2021: £400,000) from the Elwyn Thomas Memorial Trust.



# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Donations and legacies

(Continued)

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
<b>Grants receivable for core activities</b>						
Disability Cornwall	-	-	-	11,357	-	11,357
Garfield Weston Foundation	-	-	-	25,000	-	25,000
Cornwall Council Funding - Covid-19 support	-	-	-	10,050	-	10,050
Edward Gostling Foundation	25,000	-	25,000	-	-	-
Sport England	-	8,160	8,160	-	-	-
Thomas J Horne Memorial Trust	9,000	-	9,000	8,500	-	8,500
Cornwall Council (COMF)	25,000	-	25,000	-	-	-
The Band Trust	-	120,000	120,000	-	-	-
HMRC Job Retention Scheme Funding	-	-	-	17,055	-	17,055
Other	11,650	33,833	45,483	21,110	6,599	27,709
	<u>70,650</u>	<u>161,993</u>	<u>232,643</u>	<u>93,072</u>	<u>6,599</u>	<u>99,671</u>

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 3 Donations and legacies

(Continued)

The amounts included in other grants include the following:

Restricted:

£6,414 - Claire Milne Trust

£4,673 - The Cornwall Community Foundation

£2,500 - The Norman Family Charitable Trust

£2,982 - Royal Warrant Holders Association

£7,080 - Grand Lodge of Mark (Cornwall Mark Foundation)

£8,011 - Kickstart

£2,173 - Duchy Health Charity

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

Unrestricted:

£2,500 - The Jules Thorn Charitable Trust

£2,000 - The Albert Van den Bergh Charitable Trust

£2,000 - The Hospital Saturday Fund

Equal to/less than £1,000 - Various charitable entities, totalling £5,150

#### 4 Charitable activities

	2022 £	2021 £
Therapies	155,226	90,350

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising events	45,625	28,236
Retail and Café income	39,286	24,677
Room hire	50,844	37,577
Solar panel income	15,827	-
Pool hire	23,930	-
	<u>175,512</u>	<u>90,490</u>
Other trading activities	<u>175,512</u>	<u>90,490</u>

### 6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Income from listed investments	5,622	-
Interest receivable	573	4
	<u>6,195</u>	<u>4</u>
	<u>6,195</u>	<u>4</u>

### 7 Other income

	Unrestricted funds	Total
	2022	2021
	£	£
Net gain on disposal of tangible fixed assets	16,599	-
Other income	1,871	-
	<u>18,470</u>	<u>-</u>
	<u>18,470</u>	<u>-</u>

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Raising funds

	2022	2021
	£	£
Income generation		
Marketing and publicity	281	656
Other fundraising costs	22,241	13,447
Staff costs	43,233	36,180
Support costs	8,516	7,832
	<u>74,271</u>	<u>58,115</u>

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

### 9 Charitable activities

	2022	2021
	£	£
Staff costs	225,498	159,393
Depreciation and impairment	99,950	100,082
Light and heat	37,609	20,752
Repairs and renewals	23,782	17,272
Subscriptions	1,378	1,085
Subsidised therapy costs	24,699	22,816
Travel and subsistence	2,695	1,997
Cleaning	23,414	13,540
Rent and rates	4,126	6,916
Bank charges	773	1,310
Entertainment	806	1,600
	<u>444,730</u>	<u>346,763</u>
Share of support costs (see note 10)	47,991	39,652
Share of governance costs (see note 10)	10,988	11,290
	<u>503,709</u>	<u>397,705</u>
<b>Analysis by fund</b>		
Unrestricted funds	489,252	392,705
Restricted funds	14,457	5,000
	<u>503,709</u>	<u>397,705</u>

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Support costs

	Support costs £	Governance costs £	2022 £	2021 £	Basis of allocation
Staff costs	28,947	5,000	33,947	27,810	Staff time
Insurance	6,502	-	6,502	5,332	Estimated usage
Telephone	12,435	-	12,435	11,378	Estimated usage
Postage and stationery	8,623	-	8,623	7,964	Estimated usage
Audit fees	-	2,220	2,220	-	Governance
Accountancy	-	2,412	2,412	2,220	Governance
Legal and professional	-	1,356	1,356	1,850	Governance
Independent Examiner's Fees	-	-	-	2,220	Governance
	<u>56,507</u>	<u>10,988</u>	<u>67,495</u>	<u>58,774</u>	
Analysed between					
Fundraising	8,516	-	8,516	7,832	
Charitable activities	47,991	10,988	58,979	50,942	
	<u>56,507</u>	<u>10,988</u>	<u>67,495</u>	<u>58,774</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.

Fees payable to the company's auditors for other services totalled £2,412 (2021: £2,220).

### 11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Charitable activities and administration	<u>13</u>	<u>10</u>
<b>Employment costs</b>	<b>2022 £</b>	<b>2021 £</b>
Wages and salaries	273,631	204,946
Social security costs	24,353	15,034
Other pension costs	4,694	3,403
	<u>302,678</u>	<u>223,383</u>

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

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

<b>12</b>	<b>Net movement in funds</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	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	2,220	-
	Depreciation of owned tangible fixed assets	99,950	100,082
	Profit on disposal of tangible fixed assets	(16,599)	-
		<u>          </u>	<u>          </u>

### 13 Trustees

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

There were no trustees' expenses paid for the year ended 31 December 2022 or 2021.

### 14 Net gains/(losses) on investments

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Revaluation of investments	2,198	5,798
	<u>          </u>	<u>          </u>

### 15 Intangible fixed assets

	<b>Fishing rights</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	1,391
	<u>          </u>
<b>Amortisation and impairment</b>	
At 1 January 2022 and 31 December 2022	-
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2022	1,391
	<u>          </u>
At 31 December 2021	1,391
	<u>          </u>

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

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

16	Tangible fixed assets	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
		£	£	£	£	£	£
	<b>Cost</b>						
	At 1 January 2022	2,565,122	649,143	104,440	37,982	41,267	3,397,954
	Additions	-	38,529	5,267	5,188	18,995	67,979
	Disposals	-	-	-	(37,982)	(41,267)	(79,249)
	At 31 December 2022	2,565,122	687,672	109,707	5,188	18,995	3,386,684
	<b>Depreciation and impairment</b>						
	At 1 January 2022	178,354	218,159	94,904	37,982	41,265	570,664
	Depreciation charged in the year	27,295	64,395	2,749	1,712	3,799	99,950
	Eliminated in respect of disposals	-	-	-	(37,982)	(41,266)	(79,248)
	At 31 December 2022	205,649	282,554	97,653	1,712	3,798	591,366
	<b>Carrying amount</b>						
	At 31 December 2022	2,359,473	405,118	12,054	3,476	15,197	2,795,318
	At 31 December 2021	2,386,768	430,984	9,536	-	2	2,827,290

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 17 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2022	67,599
Valuation changes	2,198
	<hr/>
At 31 December 2022	69,797
	<hr/>
<b>Carrying amount</b>	
At 31 December 2022	69,797
	<hr/> <hr/>
At 31 December 2021	67,599
	<hr/> <hr/>

18 Financial instruments	2022 £	2021 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	69,797	67,599
	<hr/>	<hr/>

19 Stocks	2022 £	2021 £
Finished goods and goods for resale	1,065	528
	<hr/>	<hr/>

20 Debtors	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	17,769	6,985
Other debtors	15,000	5,000
Prepayments and accrued income	71,712	-
	<hr/>	<hr/>
	104,481	11,985
	<hr/> <hr/>	<hr/> <hr/>



# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 21 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	5,962	8,902
Trade creditors	11,405	3,954
Other creditors	531	35
Accruals	13,895	4,500
	<u>31,793</u>	<u>17,391</u>

#### 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 £4,694 (2021: £3,692). There were no unpaid contributions at the year end (2021: £Nil).

The charge to profit or loss in respect of defined contribution schemes was £4,694 (2021: £3,692).

#### 23 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Intangible fixed assets	1,391	-	1,391	1,391	-	1,391
Tangible assets	858,341	1,936,977	2,795,318	877,529	1,949,761	2,827,290
Investments	69,797	-	69,797	67,599	-	67,599
Current assets/(liabilities)	304,990	122,100	427,090	281,235	7,100	288,335
	<u>1,234,519</u>	<u>2,059,077</u>	<u>3,293,596</u>	<u>1,227,754</u>	<u>1,956,861</u>	<u>3,184,615</u>

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 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:

	Balance at 1 January 2021	Movement in funds			Transfers	Balance at 1 January 2022	Movement in funds			Transfers	Balance at 31 December 2022
	£	Incoming resources	Resources expended	£			Incoming resources	Resources expended	£		£
Centre building costs	1,590,515	-	-	-	(11,160)	1,579,355	-	-	-	(11,160)	1,568,195
Oxygen tank	1,200	-	-	-	(1,200)	-	-	-	-	-	-
Fowey Hospital	-	1,599	-	1,599	-	-	-	(1,599)	-	-	-
February Foundation	-	5,000	-	5,000	-	-	-	-	-	(504)	4,496
Equipment for treatments	308	-	-	-	(308)	-	-	-	-	-	-
Sunley Suite	26,585	-	-	-	(183)	26,402	-	-	-	(183)	26,219
Duchy Health	-	-	-	-	-	-	2,173	-	-	(212)	1,961
Cornwall Community Foundation	-	-	-	-	-	-	4,673	-	-	(935)	3,738
Sport England	-	-	-	-	-	-	8,160	(1,865)	-	(627)	5,668
Sensory Garden	2,100	-	-	-	-	2,100	120,000	-	-	-	122,100
Hydrotherapy Pool	278,930	-	-	-	(7,750)	271,180	-	-	-	(7,742)	263,438
Minibus / Ford Tourneo	7,264	-	-	-	(7,263)	1	7,080	-	-	(1,407)	5,674
Sensory Room	1,450	-	-	-	(1,450)	-	-	-	-	-	-
Claire Milne Trust	-	-	-	-	-	-	6,414	-	-	(645)	5,769
Oxygen Generator	57,915	-	-	-	(3,048)	54,867	-	-	-	(3,048)	51,819
Other grants	-	-	-	-	-	-	5,482	(2,982)	-	(2,500)	-
Kickstart	-	-	-	-	-	-	8,011	(8,011)	-	-	-
Edward Gosling Foundation	5,000	-	(5,000)	-	-	-	-	-	-	-	-
	1,971,267	6,599	(5,000)	(32,362)	1,940,504	161,993	(14,457)	(28,963)	2,059,077		

£1,936,977 of the above funds are capital funds which have been expended and are reducing in line with depreciation.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Restricted funds	(Continued)
Transfers between funds	
During the year the trustees approved transfers between restricted and unrestricted funds of £28,963 (2021: £32,362 ).	
The transfers are mainly in relation to a release of restricted funds in line with the current year depreciation charge for restricted assets.	
<b>Description nature and purpose of restricted funds</b>	
<i>Centre building costs</i>	
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.	
<i>Oxygen tank</i>	
Funds to provide an additional oxygen tank.	
<i>Fowey Hospital</i>	
For the purchase of more comfortable chairs for use in the oxygen chambers.	
<i>February Foundation</i>	
Towards the cost of a Therabike.	
<i>Equipment for treatments</i>	
Various restricted grants provided to the charity for the purchase of equipment to be used during the treatments provided to patients.	
<i>Sunley Suite</i>	
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 NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Restricted funds (Continued)

### *Duchy Health*

Funding received to purchase equipment for the purposes of physiotherapy.

### *Cornwall Community Foundation*

Funding received towards purchase of a Golvo lift.

### *Sport England*

Funding received towards purchase of training Tigo bikes.

### *Sensory Therapy Garden*

Grants to provide a specially designed garden for the purposes of physiotherapy and an activity trail.

### *Hydrotherapy Pool*

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

### *Minibus/Ford Tourneo*

Funding received for the purchases of vehicles.

### *Sensory Room*

Funding towards the building and equipment for a sensory room.

### *Claire Milne Trust*

Funding received towards the purchase of a Sara Plus standing aid and shower chair.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 24 Restricted funds

(Continued)

#### *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.

#### *Kickstart*

The Department for Work & Pensions launched the Kickstart Scheme in September 2020 in response to a significant forecast rise in youth unemployment because of the COVID-19 pandemic (aimed at aged 16–24 on Universal Credit and at risk of long-term unemployment). The grant relates to one six-month work placement to cover the salary costs of an office administrator.

#### *Edward Gosling Foundation*

Funding received to support the Keep in Touch service.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 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 2021	Movement in funds						Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 January 2022	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2022
	£	Incoming resources	£	Resources expended	£	Transfers	Revaluations, gains and losses	£	£	£	£	£	£	£	£
General fixed asset fund	890,309	-	-	(67,720)	-	54,940	-	(73,487)	54,299	-	877,529	(73,487)	54,299	-	858,341
Fair value reserve	3,607	-	-	-	5,798	-	-	-	-	2,198	9,405	-	-	-	11,603
COMF funding	-	14,857	-	(9,543)	-	-	-	-	-	-	5,314	-	-	-	5,314
Development fund	-	-	-	-	-	50,000	-	-	-	-	50,000	-	-	-	50,000
Buildings and Environmental Sustainability fund	-	-	-	-	-	50,000	-	(22,049)	-	-	50,000	(22,049)	-	-	27,951
	893,916	14,857	-	(77,263)	5,798	154,940	5,798	(95,536)	54,299	2,198	992,248	(95,536)	54,299	2,198	953,209

**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.

**COMF funding** - 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 NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

<b>26 Capital commitments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>

At 31 December 2022 the charity had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment

32,848

-

## 27 Related party transactions

### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	122,240	64,334

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.

There were no related party transactions during the year.

## 28 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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	6,511	6,511
Between two and five years	7,054	13,565
	<u>13,565</u>	<u>20,076</u>

## 29 Analysis of changes in net funds

The charity had no debt during the year.

# MERLIN NEURO THERAPY CENTRE LTD (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

---

<b>30</b>	<b>Cash generated from operations</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Surplus for the year	108,981	298,627
	Adjustments for:		
	Investment income recognised in statement of financial activities	(6,195)	(4)
	Gain on disposal of tangible fixed assets	(16,599)	-
	Fair value gains and losses on investments	(2,198)	(5,798)
	Depreciation and impairment of tangible fixed assets	99,950	100,082
	Movements in working capital:		
	(Increase)/decrease in stocks	(537)	2,049
	(Increase) in debtors	(92,496)	(4,204)
	Increase/(decrease) in creditors	14,402	(35,586)
	<b>Cash generated from operations</b>	<b>105,308</b>	<b>355,166</b>

---