

Charity Registration No. 299524

Company Registration No. 02215165 (England and Wales)

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R Greener Mr T R Tolliday Mr M Boscher Mr R Levene
Secretary	Mr R Levene
Charity number	299524
Company number	02215165
Principal address	30 Campus Five Letchworth Garden City Hertfordshire SG6 2JF
Registered office	30 Campus Five Letchworth Garden City Hertfordshire SG6 2JF
Independent examiner	John Wilson FCA ATII Howard Wilson Chartered Accountants 36 Crown Rise Watford Hertfordshire WD25 0NE
Bankers	Barclays Bank plc Leicester LE87 2BB CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ
Solicitors	Bates, Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH Park Woodfine Heald Mellows 1 Lurke Street Bedford MK40 3TN

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

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HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

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 charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

Charitable objects

The objects of the charitable company are:

To aid and improve for the public benefit in the Area of Benefit (which is England) the condition of those suffering from Multiple Sclerosis by any lawful means including any of the following:

- (a) By bringing together persons suffering from multiple sclerosis and persons interested in Multiple Sclerosis;
- (b) By providing advice, guidance and moral and practical support for persons suffering from Multiple Sclerosis;
- (c) By providing therapy (including hyperbaric oxygen therapy) for persons suffering from Multiple Sclerosis or other symptoms or conditions.

Aims of charity

To provide the most effective therapies possible for every person affected by Multiple Sclerosis in Hertfordshire and parts of surrounding counties, especially South Bedfordshire and Luton.

To enable access for all by making treatments affordable and all can attend within reasonable driving distance.

Our objectives for the year were:

To balance the budget, improve our sustainability and increase our reserves, as part of a process that will take a number of years to complete.

To improve the quality of our Oxygen Therapy Programme.

To complete a full review of all activities, including more effective use of the building at Campus Five.

Complete an annual update of the Business Plan.

To continue marketing to expand take up of Oxygen Therapy for clients with and without Multiple Sclerosis in order to generate more income, including funds to subsidise treatments for people in financial need.

To improve our fundraising.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Strategies for achieving objectives

In order to improve our finances, the biggest impact is from cutting costs and marketing our services to more potential customers. We identified savings were possible by focusing on delivering Oxygen Therapy alone and inviting other businesses to offer other therapies in our centre, such as Physiotherapy. We are using marketing to expand take up of Oxygen Therapy for people with other conditions, including cancer, ME, Chronic Fatigue Syndrome and Fibromyalgia. Our marketing is in social media and local newspapers or magazines. We combine free stories with some paid advertising and regularly offering trial sessions.

Statement on compliance with Charity Commission guidance on public benefit

The Trustees have paid due regard to the public benefit guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

Introduction to activities

The main activity is Oxygen Therapy, delivered by our in-house trained Operators.

Use of volunteers

We benefit enormously from the time and skill donated by our 19 volunteers fulfilling 23 volunteer roles. We simply could not provide what we do without their commitment and generosity. Volunteers play a leading role in the provision of Oxygen Therapy. Highly experienced volunteers regularly work in admin, IT, finance, fundraising and reception, complementing our small core of paid staff.

How we measure success

We meet annually with all paid staff and the Board of Trustees to review the numbers of people being treated and identify opportunities to expand this. We also review quality through our Quality Assurance self-assessment process and through interviews and questionnaires with the clients themselves.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Charitable achievements

In 2019 we provided a total of 14,569 treatment sessions, compared to 15,356 in 2018. At the end of 2019 we stopped providing other therapies and focused entirely on Oxygen Therapy. So, we note that in 2019 we provided 10,189 Oxygen Therapy sessions compared to almost the same number, 10,126, the year before.

In 2020 we provided 4,755 sessions of Oxygen Therapy. This dramatic reduction is due to the huge impact of the Covid-19 Pandemic that affected us badly from March until December. In 2021 we are slowly recovering.

We continue to rent much of the first floor to the North Hertfordshire Centre for Voluntary Service.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Fundraising achievements

We pay tribute to the many individuals, groups, charitable trusts and companies who support us because that support is vital for all we do.

Investment performance

Our cash reserves are the only form of investment we have. We continue to earn very low rates of interest on this. We have no other forms of investment. However, we do benefit from owning our building freehold.

Financial review

Our purpose remains the welfare of any and all people affected by MS in Hertfordshire and surrounding areas.

We want to deliver the most effective therapies possible, in the most affordable way.

We remain asset rich, because of the freehold building we own. In 2020 we had a deficit of £27,771 compared to a deficit of £27,752 in 2019. Income was down in 2020 at £109,555 compared to £235,697 in 2019.

Meanwhile expenditure was down at £137,326 compared to £263,449 in 2019.

The costs of operating the centre remain under regular close scrutiny by the Board. Now that our building is paid for our costs for staff are always going to be the biggest part of our expenditure. This is true of any service organisation. However, we continue to manage these costs carefully.

We are seeing income improve from selling Oxygen Therapy to people who do not have Multiple Sclerosis.

We are pleased other people are also getting help that can improve the quality of their lives. That in turn helps the charity to be more sustainable and therefore able to continue helping people with Multiple Sclerosis long term.

Fundraising

Fundraising is always a vital part of what we do. It is very diverse and it includes:

- Bids for large grants.
- The many smaller grant making trusts that we are in contact with.
- Street and store collections and the collecting pots many of us have.
- In house fundraising initiatives such as the Fundraising Table, 100 Club and Raffles.
- Marathons, Cycle Races and other sponsored events.

Much of the above receives substantial input, help and support from our excellent volunteers, who we appreciate very much.

However, all fundraising has also been badly affected by the Covid-19 Pandemic.

Contributions from our Members

All donations from our members are deeply appreciated.

We want to thank all those who make Hertfordshire Multiple Sclerosis Therapy Centre what it is. First the people taking Oxygen Therapy with us, many of whom make vital contributions through donations and fundraising efforts. Each and every Volunteer. The Centre's paid Staff, especially Meire Andrade. Each member of the Board. Our many friends in other organisations.

We pay special tribute to all the people and organisations that have made donations and grants to the Charity.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal sources of income and how expenditure meets objects

Our income is principally from:

Selling Oxygen Therapy to people with MS

Selling Oxygen Therapy to people who do not have MS.

Generating Income from Fundraising

The expenditure of the charity is dominated by the salary costs of staff, which is fully in line with the objects of the charity.

Reserves Policy

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves was not maintained in 2020. In 2020 our expenditure was £137,326. Therefore, we are working towards re-establishing reserves of £34,332 representing 3 months costs at the 2020 level of activity, as a matter of the highest priority.

At 31st December 2020 we had unrestricted reserves of £479,037 and restricted funds of £20,624 but more than this amount is represented by fixed assets (£543,046), a shortfall of £64,009. The target level of reserves as stated is £34,332. At the year end, the level of liquid unrestricted reserves is therefore approximately £98,000 below the desired level.

The Budgets for 2021 and 2022 plan for deficits of £6,282 in 2021 and £5,035 in 2022. The Trustees recognise that this is the start of the process of recovering the charitable company's reserves to the preferred level. This process will take a number of years to complete. To this end the Board is investigating options to sell the building at 30 Campus Five and relocate to smaller premises. This can free up cash to clear our debts and secure reserves for the future. The charity has secured a BounceBack Loan, a government backed loan to help companies survive the impact of Covid-19. The BounceBack Loan was for £50,000.

Investment Policy

Our policy is to take any investment opportunity that can benefit the charity, after securing 3 to 6 months reserves.

Plans for the future

Work is going forward to:

- Continue to expand the Oxygen Therapy service. Already significant new numbers of paying customers, with conditions other than MS, are buying this treatment and making a significant contribution to the financial health of the charity as a whole.
- Focus fundraising more on larger grant making trusts.

This charity has had a life changing impact on the lives of many people with MS, since 1988. During that time the culture and environment externally has changed substantially. However, our desire remains to help more people affected by MS and other conditions and do this in such a way that our services remain viable long term.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

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

FOR THE YEAR ENDED 31 DECEMBER 2020

COVID-19

Just after the end of the previous accounting year the Covid-19 pandemic spread throughout the world affecting all aspects of daily life. The Trustees considered the impact this may have on the affairs of the charitable company, revising operational and financial plans for 2020.

The Trustees conducted a redundancy consultation, borrowed £50,000 of government backed BounceBack funds and raised the price of Oxygen Therapy. The "Bounce Back Loan" from Barclays Bank, for £50,000, is repayable over 6 years at 2.5% interest.

Our budget for 2021 has been revised in the light of the impact of Covid-19 reflecting lower expected income from Oxygen Therapy and possible reductions in staff costs. The budget will be monitored regularly and carefully, with Trustees applying the flexibility necessary to manage the charitable company through this period of uncertainty.

As a result of Covid-19 the external environment for charities is particularly challenging. 2020 was very challenging and 2021 will not be easy but the Trustees remain confident that the charitable company will be able to deliver our aims and objects within the resources that will be available. We will not go bust and we will continue with our mission to help people in great need, principally through selling Oxygen Therapy.

Structure, governance and management

The charitable company is a company limited by guarantee, incorporated 29 January 1988, number 2215165 and registered as a charity on 4 August 1988.

The charitable company was established under a Memorandum and Articles of Association which established the objects and powers of the charitable company.

The charitable company is managed by a Board of Trustees. At any one time there must be a minimum of three Trustees and a maximum of nine Trustees. A Trustee can be appointed by an Ordinary Resolution of the members or by co-option by a decision of the Trustees until the next AGM.

At each Annual General Meeting (AGM) any Trustees who have completed a three year term of service since appointment at a previous AGM must retire from office but may offer themselves for re-election by the members, unless they have completed three consecutive terms.

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

Mr N R J Baker	(Resigned 18 June 2020)
Mr R Greener	
Mr J Seers	(Resigned 30 January 2020)
Mr T R Tolliday	
Mr M Boscher	(Appointed 30 January 2020)
Mr R Levene	(Appointed 30 January 2020)

None of the trustees have any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Each year we note which new people have joined our Board or have retired from serving in this way since the last set of accounts were drawn up. We welcomed Rae Levene and Mark Boscher who joined in January 2020. We note that Justin Seers and Nigel Baker retired from the Board in 2020. We are keen to express our appreciation for all that Justin and Nigel did as members of our Board. We continue to have a high degree of stability within our Board and that continuity is very helpful as we focus on long term planning. We simply could not make good progress, without the contribution of each person who has served on our Board this year

Induction and training of trustees

New Trustees complete an induction programme and training is provided each year for all Board members.

Organisational structure

The charitable company is managed by a Board of Trustees. At any one time there must be a minimum of three Trustees and a maximum of nine Trustees.

The Trustees delegate day to day running of the charitable company's operations to the senior staff.

Relationship with wider network

While this MS Therapy Centre is entirely independent we are pleased to be members of a national association for the 50 MS Therapy Centres around the UK, called Multiple Sclerosis National Therapy Centres.

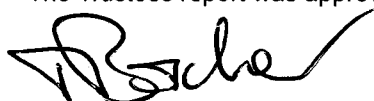
Relationships with related parties

We are entirely independent but highly value our good working relationships with the MS Society, the MS Trust, MS-UK and Overcoming MS.

Risk factors and review

The Trustees have assessed the major risks to which the charitable company is exposed, especially from the Covid-19 Pandemic, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees report was approved by the Board of Trustees.



Mr M Boscher

Trustee

Dated: 14 July 2021

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of Hertfordshire Multiple Sclerosis Therapy Centre Ltd 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 charitable company 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 charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

I report to the trustees on my examination of the financial statements of Hertfordshire Multiple Sclerosis Therapy Centre Ltd (the charitable company) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charitable company (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).

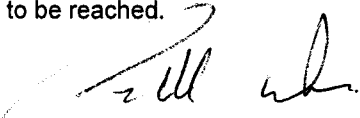
Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 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

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 charitable company 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.



John Wilson FCA ATII

Howard Wilson Chartered Accountants
36 Crown Rise
Watford
Hertfordshire
WD25 0NE

Dated: 19 July 2021

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Voluntary income including donations and legacies	3	17,408	-	17,408	29,584
Provision of Physiotherapy and Oxygen Therapy	4	64,820	-	64,820	164,592
Community fundraising, events and sponsorship	5	8,271	-	8,271	18,132
Investments	6	19,056	-	19,056	23,389
Total income		109,555	-	109,555	235,697
<u>Expenditure on:</u>					
Community fundraising, events and sponsorship	7	9,897	-	9,897	13,490
Provision of Physiotherapy and Oxygen Therapy	8	127,429	-	127,429	249,959
Total expenditure		137,326	-	137,326	263,449
Net expenditure for the year/ Net movement in funds		(27,771)	-	(27,771)	(27,752)
Fund balances at 1 January 2020		506,808	20,624	527,432	555,184
Fund balances at 31 December 2020		479,037	20,624	499,661	527,432

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.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<u>Income from:</u>				
Voluntary income including donations and legacies	3	17,584	12,000	29,584
Provision of Physiotherapy and Oxygen Therapy	4	164,592	-	164,592
Community fundraising, events and sponsorship	5	18,132	-	18,132
Investments	6	23,389	-	23,389
Total income		223,697	12,000	235,697
<u>Expenditure on:</u>				
Community fundraising, events and sponsorship	7	13,490	-	13,490
Provision of Physiotherapy and Oxygen Therapy	8	237,959	12,000	249,959
Total expenditure		251,449	12,000	263,449
Net outgoing resources before transfers		(27,752)	-	(27,752)
Gross transfers between funds		1,546	(1,546)	-
Net expenditure for the year/ Net movement in funds		(26,206)	(1,546)	(27,752)
Fund balances at 1 January 2019		533,014	22,170	555,184
Fund balances at 31 December 2019		506,808	20,624	527,432

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.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		543,046		557,789
Current assets					
Debtors	12	3,983		11,785	
Cash at bank and in hand		45,892		34,492	
		49,875		46,277	
Creditors: amounts falling due within one year	14	(44,093)		(51,634)	
Net current assets/(liabilities)			5,782		(5,357)
Total assets less current liabilities			548,828		552,432
Creditors: amounts falling due after more than one year	15		(49,167)		(25,000)
Net assets			499,661		527,432
Income funds					
Restricted funds	17		20,624		20,624
<u>Unrestricted funds</u>					
Designated funds	18	683		683	
General unrestricted funds		478,354		506,125	
			479,037		506,808
			499,661		527,432

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

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 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 14 July 2021



Mr R Greener
Trustee



Mr M Boscher
Trustee

Company Registration No. 02215165

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Hertfordshire Multiple Sclerosis Therapy Centre Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 30 Campus Five, Letchworth Garden City, Hertfordshire, SG6 2JF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The charitable company has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. 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.

1.2 Going concern

The charitable company meets its day to day working capital requirements with the support of loans provided by staff, trustees and supporters as detailed in note 16 to the accounts. In addition the trustees are in the process of applying for a bounce back loan to cover the transition period as they seek to return the charitable company to a surplus position.

The nature of the charitable company's activities are such that there can be considerable unpredictable variation in the timing of cash inflows. The trustees have prepared projected cash flow information for the period ending 12 months from the date of their approval of these accounts. On the basis of this cash flow information and discussions with the charitable company's lenders, the trustees consider that the charitable company will continue to operate within the cash balances currently available.

However, the margin of facilities over requirements is not large and, inherently there can be no certainty in relation to these matters. On this basis, the trustees consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would result from a withdrawal of the loan facilities by the charitable company's lenders.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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.

1.4 Income

Income is recognised when the charitable company 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.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charitable company 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.

Grants are recognised in the Statement of Financial Activities in the year in which they are receivable.

Incoming resources from fundraising ventures are recognised in the Statement of Financial Activities in the year in which they are receivable.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. Resources expended include attributable VAT that is not recoverable by the charity.

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the costs of advertising for donations and the staging of special fundraising events.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Land and buildings	50 years straight line
Plant and machinery	4 - 10 years straight line

The charity has a policy not to capitalise expenditure on fixed assets costing less than £2,500.

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.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible 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).

1.8 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.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

The charitable company 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 charitable company's balance sheet when the charitable company 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 charitable company's contractual obligations expire or are discharged or cancelled.

1.10 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 charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements

In the application of the charitable company'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 Voluntary income including donations and legacies

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £
Donations and gifts	9,794	17,584	-	17,584
Grants receivable for core activities	7,614	-	12,000	12,000
	<u>17,408</u>	<u>17,584</u>	<u>12,000</u>	<u>29,584</u>
Grants receivable for core activities				
Coronavirus Job Retention Scheme Grant	7,614	-	-	-
Childwick Trust	-	-	12,000	12,000
	<u>7,614</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>

4 Provision of Physiotherapy and Oxygen Therapy

	Income from therapies 2020 £	Income from therapies 2019 £
Income from therapies	64,820	164,592
	<u>64,820</u>	<u>164,592</u>

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Community fundraising, events and sponsorship

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Fundraising events	8,271	18,132

6 Investments

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
Rental income	19,056	23,389

7 Community fundraising, events and sponsorship

	Unrestricted funds general 2020 £	Unrestricted funds general 2019 £
<u>Community fundraising, events and sponsorship</u>		
Seeking donations, grants and legacies	2,806	3,474
Staging fundraising events	7,091	10,016
Community fundraising, events and sponsorship	9,897	13,490

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Provision of Physiotherapy and Oxygen Therapy

	2020 £	2019 £
Staff costs	57,760	158,096
Depreciation and impairment	14,743	14,743
General running costs	1,950	3,214
Premises costs	11,455	11,436
Insurance costs	4,662	5,095
Repairs and maintenance costs	4,036	7,355
Office costs	1,900	3,969
Equipment costs	1,523	3,916
Transport costs	50	768
Training	-	1,863
General expenses	700	25
Legal and professional costs	10,050	16,193
Governance costs (see note below)	2,800	2,400
Bank charges and other finance costs	4,183	4,337
Oxygen	11,617	16,549
	<u>127,429</u>	<u>249,959</u>
Analysis by fund		
Unrestricted funds - general	<u>127,429</u>	
	<u>127,429</u>	
For the year ended 31 December 2019		
Unrestricted funds - general		237,959
Restricted funds		12,000
		<u>249,959</u>

Governance costs comprise independent examiners fees of £2,800 (2019: £2,400).

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or expenses during the year (2019- £Nil).

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Management and administration	2	3
Fundraising and publicity	-	1
Physiotherapists, Rehab Specialist and Assistants	4	4
Oxygen Therapy	3	3
	<u>9</u>	<u>11</u>

Employment costs

	2020 £	2019 £
Wages and salaries	55,953	148,443
Social security costs	1,056	7,083
Other pension costs	751	2,570
	<u>57,760</u>	<u>158,096</u>

During the period, included in the above figures, the charitable company paid out £6,810 in redundancy payments.

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

11 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
At 1 January 2020	737,166	190,151	927,317
At 31 December 2020	<u>737,166</u>	<u>190,151</u>	<u>927,317</u>
Depreciation and impairment			
At 1 January 2020	179,377	190,151	369,528
Depreciation charged in the year	14,743	-	14,743
At 31 December 2020	<u>194,120</u>	<u>190,151</u>	<u>384,271</u>
Carrying amount			
At 31 December 2020	<u>543,046</u>	<u>-</u>	<u>543,046</u>
At 31 December 2019	<u>557,789</u>	<u>-</u>	<u>557,789</u>

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets (Continued)

All fixed assets are used directly in furtherance of the charity's objects.

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	3,047	8,938
Prepayments and accrued income	936	2,847
	<u>3,983</u>	<u>11,785</u>

13 Loans and overdrafts

	2020	2019
	£	£
Bank loans	<u>50,000</u>	<u>-</u>
Payable within one year	833	-
Payable after one year	<u>49,167</u>	<u>-</u>

The long-term loans are supported by a guarantee to the lender from the UK Government under the Bounce Back Loan Scheme.

The charitable company obtained the Bounce Back Loan from Barclays Bank, repayable over six years with no repayments in the first year. The interest rate is 2.5% per annum, with the interest in the first twelve months being covered by the UK Government.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	13	833	-
Other taxation and social security		441	483
Trade creditors		1,444	4,093
Other creditors		34,400	37,400
Accruals and deferred income		6,975	9,658
		<u>44,093</u>	<u>51,634</u>

Included in other creditors are loans from the following:

A loan of £17,000 from Mark Boscher, who is a trustee, is unsecured. It is repayable with three months notice and interest is payable at a rate of 5% per annum.

A loan of £25,000 from May Boscher, who is the mother of the charitable company's former Chief Executive and current trustee was unsecured. It was repaid in December 2020 and interest was payable at a rate of 5% per annum.

A loan of £4,000 from Sheena Atkinson, who was a trustee of the charitable company is unsecured. It is repayable with one months notice and interest is payable at a rate of 4% per annum.

The other loans are from supporters of the charitable company. One loan of £10,000 is repayable with one months notice and interest is payable at a rate of 4% per annum. A second loan of £2,000 is repayable with three months notice and interest is payable at a rate of 3% per annum.

The Trustees considered the options for borrowing the funds from banks and lending institutions but these were found to be the most cost effective option for the charitable company.

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	13	49,167	-
Other creditors		-	25,000
		<u>49,167</u>	<u>25,000</u>
Bank loans			
Debt due in one year or less		833	-
In more than one year but not more than two years		10,000	-
In more than two years but not more than three years		30,000	-
In more that five years		9,167	-
		<u>50,000</u>	<u>-</u>

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £751 (2019 - £2,570).

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Restricted funds

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

	Movement in funds			Movement in funds		
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Balance at 31 December 2020
	£	£	£	£	£	£
Furniture, Fixtures and Equipment	8,058	-	-	-	8,058	8,058
Oxygen Compressor Fund	6,500	-	-	-	6,500	6,500
Childwick Trust	-	12,000	(12,000)	-	-	-
Awards for All - Life Gym	1,546	-	-	(1,546)	-	-
Other Restricted Funds	6,066	-	-	-	6,066	6,066
	<u>22,170</u>	<u>12,000</u>	<u>(12,000)</u>	<u>(1,546)</u>	<u>20,624</u>	<u>20,624</u>

Furniture, fixtures and equipment - This fund is funds given to purchase equipment, furniture and fittings in the Centre.

Childwick Trust is a grant towards provision of a physiotherapy service.

Oxygen Compressor Fund is to provide funds to replace the compressor on the oxygen tank when required.

Life Gym was a grant from Awards for All, part of Big Lottery, to enable people with serious medical conditions or disabilities to engage in social activities and fun events to promote better health.

Other restricted funds include the following smaller restricted funds: Vehicle fund, Outreach Physiotherapy Project, Physiotherapy and Equipment Funds, new therapy couches, the cost of an Annual Review plus funding from North Hertfordshire District Council to provide training for staff in specialist Pilates courses.

HERTFORDSHIRE MULTIPLE SCLEROSIS THERAPY CENTRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 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 2019	Movement in funds Incoming resources	Balance at 1 January 2020	Movement in funds Incoming resources	Balance at 31 December 2020
	£	£	£	£	£
Oxygen Compressor Fund	683	-	683	-	683
	<u>683</u>	<u>-</u>	<u>683</u>	<u>-</u>	<u>683</u>

Oxygen Compressor Fund is to provide funds to replace the compressor on the oxygen tank when required.

19 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	543,046	-	543,046	557,789	-	557,789
Current assets/ (liabilities)	(15,525)	20,624	5,782	(26,664)	20,624	(5,357)
Long term liabilities	(49,167)	-	(49,167)	(25,000)	-	(25,000)
	<u>478,354</u>	<u>20,624</u>	<u>499,661</u>	<u>506,125</u>	<u>20,624</u>	<u>527,432</u>

