

REGISTERED COMPANY NUMBER: 04460611 (England and Wales)
REGISTERED CHARITY NUMBER: 1093691

Report of the Trustees and
Financial Statements for the Year Ended 31 December 2012
for

The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A
The Merlin Project

Prydis Accounts Limited
Chartered Accountants
The Parade
Liskeard
Cornwall
PL14 6AF

The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

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for the Year Ended 31 December 2012

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The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

Report of the Trustees
for the Year Ended 31 December 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04460611 (England and Wales)

Registered Charity number

1093691

Registered office

The Cornwall MS Therapy Centre
Bradbury House
Hewas Water
St Austell
Cornwall
PL26 7JF

Trustees

Mr D V K Blewett
Mrs S J Coode
Mr P W Davies MBE
Mrs L G Hanbury-Tenison - resigned 17.5.13
Ms S A Key-Stone - resigned 1.1.13
Mr S B B Lawrence
Mrs N A Minear
Dr. D M G Murphy MBE
Mrs E M Murphy - resigned 1.7.13
Mr D Perks
Mr S P Sherrard
Mr A R H Welford

Company Secretary

Mr A R H Welford

Auditors

Prydis Accounts Limited
Chartered Accountants
The Parade
Liskeard
Cornwall
PL14 6AF

Bankers:

Barclays Bank plc
Truro Group
55A Bank Street
Newquay
Cornwall
TR7 1JE

HSBC Bank plc
45 Commercial Street
Camborne
Cornwall
TR14 8AX

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 web-site.

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.

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.

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 Charities Commission website.

Organisational structure

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

The activities of the charity are also dependant 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.

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.

The trustees have identified a number of other conditions, which will benefit from the hyperbaric oxygen therapy available in the centre, and are developing links with potential beneficiaries of this treatment.

Related parties

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

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 Trust, and are satisfied that there are adequate systems and controls in place to mitigate the exposure to any major risks.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's primary tasks are the management of the centre, delivering a wide range of therapy services, and raising funds not only to keep the facility operational but also to provide financial assistance to those with Multiple Sclerosis who might otherwise be unable to benefit from the therapies.

The objective of the centre is to offer a range of treatments, orthodox and complementary, known to benefit people suffering from Multiple Sclerosis and practised by properly qualified therapists. A secondary objective is to provide these therapies to individuals with other conditions who can benefit from them. Such conditions would include sports injuries, ME, Parkinson's disease and other neurological complaints.

An additional objective is to raise the awareness in Cornwall of the needs of those suffering from Multiple Sclerosis, the profile of the disease and the requirements of the carers of those afflicted with it.

The trustees have complied with the duty in section 4 of the 2006 Charities Act to have due regard to guidance published by the Charity Commission with respect to the public benefit requirement.

Significant activities

The principal work of the charity during the year was to ensure that the centre was appropriately staffed and successfully managed and to promote fundraising events. In addition numerous applications were made to grant giving organisations and charitable trusts in furtherance of the charity's objectives.

In 2012 we saw a significant increase in those wanting to hire our conference room and therapy space in particular NHS led clinics such as renal eye screening and AAA screening.

Further activities have been the introduction of a monthly clinic by the MS Specialist nurse.

The daily operation of the centre is focusing more on social inclusion therapy which has included art and music workshops.

Some of the services we have been able to offer this year are currently hard to access in Cornwall these include FES, Splinting clinics and pain and balance management. the charity strives to meet this gap in the community.

Within the HBO department we have seen a significant rise in those using this therapy for sports injuries as well as children with autism.

As the complexities of the charity's activities have evolved particular attention has been paid by the trustees to ensure that the administration and management processes were fit for purpose.

Volunteers

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

The trustees are keen to expand the number of volunteers, particularly amongst those members of the population affected by conditions other than MS who can benefit from the centre's therapies.

ACHIEVEMENT AND PERFORMANCE

During the year the centre provided hyperbaric oxygen therapy to 1351 individuals with Multiple Sclerosis and 640 individuals with other conditions. Other therapies such as physiotherapy were provided to 2250 individuals with Multiple Sclerosis and 10 individuals with other conditions.

The charity subsidised the therapies of those with Multiple Sclerosis to the amount of £122,000 during the year.

FINANCIAL REVIEW

Trustees assessment of going concern

Report of the Trustees
for the Year Ended 31 December 2012

FINANCIAL REVIEW

Since the year end the trustees have initiated a number of actions to endeavour to align expenditure with income. Subsidies to those with MS have been reduced and for some treatments eliminated and the hours of many of the staff have been reduced. In addition a broadening of understanding in the community of the difficult financial position the charity is facing has resulted in improved donations and an increase in the number of organisations raising money for the charity, the benefit of which is expected to be seen in the second half of the year. As a result of these initiatives the income generated is sufficient to cover outgoing costs and as such the cash position has stabilised and reserves retained at the level reported within the accounts. A business plan has been prepared which predicts this to remain the case for the next twelve months and as such the Charity is properly considered to be a Going Concern and the accounts have been prepared on this basis.

Reserves policy

The current value of freehold property is ring fenced within the financial statements as restricted reserves. During the year the charity spent £7,801 on the freehold property, and so the equivalent amount has been transferred to restricted funds.

The level of unrestricted reserves at year end was £77,606. It is the charity's policy to ring fence the equivalent of six months running costs to help ensure the charity's financial position is not unduly compromised. It was not possible to do this at the year end owing to insufficient funds being available.

Principal funding sources

Funding sources range from individual donations (usually between £10 and £100), group activities initiated by volunteers (£200 to £2,000) to donations or events run by businesses, clubs, churches etc (£1,000 to £25,000). Importantly £8,080 was raised through regular giving by The Friends of The Merlin Project. In addition £32,000 was received by way of legacies and £30,602 from grants from charitable and other organisations. £63,873 was received in respect of services provided by the Centre.

FUTURE DEVELOPMENTS

The main objective is to maintain the operational success of the Centre while at the same time initiate fundraising activities to ensure that the charity remains financially sound.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Cornwall Multiple Sclerosis Therapy Centre Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees 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 period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any

relevant audit information and to establish that the auditors are aware of that information.

The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

Report of the Trustees
for the Year Ended 31 December 2012

AUDITORS

The auditors, Prydis Accounts Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
Mr D Perks - Trustee

Date:

Report of the Independent Auditors to the Members of
The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

We have audited the financial statements of The Cornwall Multiple Sclerosis Therapy Ltd for the year ended 31st December 2012 on pages eight to fourteen which comprise of the Statement of Financial Activities and the Balance Sheet. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

Matters on which we are required to report by exception

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

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

Gary Randall (Senior Statutory Auditor)
for and on behalf of Prydis Accounts Limited
Chartered Accountants
The Parade
Liskeard
Cornwall
PL14 6AF

Date:

The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 December 2012

	Notes	Unrestricted funds £	Restricted funds £	31.12.12 Total funds £	31.12.11 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	90,165	22,107	112,272	304,108
Activities for generating funds	3	<u>182,493</u>	<u>2,513</u>	<u>185,006</u>	<u>125,603</u>
Total incoming resources		272,658	24,620	297,278	429,711
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	4	55,622	5,140	60,762	38,943
Fundraising trading: cost of goods sold and other costs	5	2,219	-	2,219	4,047
Charitable activities	6				
Alleviation of suffering to MS patients		299,806	14,360	314,166	244,880
Governance costs	7	<u>26,630</u>	<u>-</u>	<u>26,630</u>	<u>24,515</u>
Total resources expended		384,277	19,500	403,777	312,385
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TRANSFERS					
		(111,619)	5,120	(106,499)	117,326
Gross transfers between funds	15	<u>92,199</u>	<u>(92,199)</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year		(19,420)	(87,079)	(106,499)	117,326
RECONCILIATION OF FUNDS					
Total funds brought forward		97,026	1,807,353	1,904,379	1,787,053
TOTAL FUNDS CARRIED FORWARD		<u>77,606</u>	<u>1,720,274</u>	<u>1,797,880</u>	<u>1,904,379</u>

The notes form part of these financial statements

The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

Balance Sheet
At 31 December 2012

	Notes	Unrestricted funds £	Restricted funds £	31.12.12 Total funds £	31.12.11 Total funds £
FIXED ASSETS					
Tangible assets	12	46,323	1,684,194	1,730,517	1,724,727
CURRENT ASSETS					
Stocks		2,181	-	2,181	2,387
Debtors	13	2,143	-	2,143	1,738
Cash at bank and in hand		<u>32,515</u>	<u>36,080</u>	<u>68,595</u>	<u>200,189</u>
		36,839	36,080	72,919	204,314
CREDITORS					
Amounts falling due within one year	14	(5,556)	-	(5,556)	(24,662)
		<u>31,283</u>	<u>36,080</u>	<u>67,363</u>	<u>179,652</u>
NET CURRENT ASSETS					
		<u>77,606</u>	<u>1,720,274</u>	<u>1,797,880</u>	<u>1,904,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>77,606</u>	<u>1,720,274</u>	<u>1,797,880</u>	<u>1,904,379</u>
NET ASSETS					
		<u>77,606</u>	<u>1,720,274</u>	<u>1,797,880</u>	<u>1,904,379</u>
FUNDS					
Unrestricted funds	15			77,606	97,026
Restricted funds				<u>1,720,274</u>	<u>1,807,353</u>
TOTAL FUNDS					
				<u>1,797,880</u>	<u>1,904,379</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
Mr D Perks -Trustee

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 33% on reducing balance

Freehold property

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 accounts.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

2. VOLUNTARY INCOME

	31.12.12	31.12.11
	£	£
Donations	42,618	54,121
Gift aid	7,052	7,870
Legacies	32,000	210,400
Grants	<u>30,602</u>	<u>31,717</u>
	<u><u>112,272</u></u>	<u><u>304,108</u></u>

3. ACTIVITIES FOR GENERATING FUNDS

	31.12.12	31.12.11
	£	£
Fundraising events	147,202	107,218
Therapies	<u>37,804</u>	<u>18,385</u>
	<u><u>185,006</u></u>	<u><u>125,603</u></u>

4. COSTS OF GENERATING VOLUNTARY INCOME

	31.12.12	31.12.11
	£	£
Insurance	260	293
Telephone	754	400
Postage and stationery	11,635	12,553
Marketing and publicity	8,349	4,910
General fundraising expenses	<u>39,764</u>	<u>20,787</u>
	<u><u>60,762</u></u>	<u><u>38,943</u></u>

5. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	31.12.12	31.12.11
	£	£
Opening stock	2,387	845
Purchases	2,013	5,589
Closing stock	<u>(2,181)</u>	<u>(2,387)</u>
	<u><u>2,219</u></u>	<u><u>4,047</u></u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Totals
	£	£
Alleviation of suffering to MS patients	<u><u>314,166</u></u>	<u><u>314,166</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

7. GOVERNANCE COSTS

	31.12.12	31.12.11
	£	£
Staff costs	16,903	16,575
Accountancy	1,626	1,584
Postage & stationery	646	697
Professional fees	2,117	2,192
Auditors' remuneration	2,112	2,100
Rent & rates	755	822
Insurance	260	293
Bank charges	<u>2,211</u>	<u>252</u>
	<u><u>26,630</u></u>	<u><u>24,515</u></u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.12.12	31.12.11
	£	£
Auditors' remuneration	2,112	2,100
Depreciation - owned assets	<u>25,026</u>	<u>22,738</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no Trustees' remuneration or other benefits for the year ended 31st December 2012 nor for the year ended 31 December 2011.

There were no contributions towards Trustees' Pensions made for the year ended 31 December 2012 nor for the year ended 31 December 2011.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2012 nor for the year ended 31 December 2011.

10. STAFF COSTS

	31.12.12	31.12.11
	£	£
Wages and salaries	170,762	98,883
Social security costs	13,958	8,276
Other pension costs	<u>7,415</u>	<u>3,729</u>
	<u><u>192,135</u></u>	<u><u>110,888</u></u>

The average monthly number of employees during the year was as follows:

	31.12.12	31.12.11
Governance & Administration	<u>11</u>	<u>7</u>

There were no employees with emoluments above £60,000 for the year ended 31 December 2012 nor for the year ended 31 December 2011.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2012

11. TAXATION

The charity's activities fall within the exemption afforded by the provisions of the Income and Corporation Tax Act 1988. Accordingly, there is no taxation charge in these accounts.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2012	1,716,262	44,659	29,436	16,489	1,806,846
Additions	<u>7,801</u>	<u>18,203</u>	<u>2,622</u>	<u>2,189</u>	<u>30,815</u>
At 31 December 2012	<u>1,724,063</u>	<u>62,862</u>	<u>32,058</u>	<u>18,678</u>	<u>1,837,661</u>
DEPRECIATION					
At 1 January 2012	33,108	24,475	13,150	11,386	82,119
Charge for year	<u>11,160</u>	<u>7,678</u>	<u>3,781</u>	<u>2,407</u>	<u>25,026</u>
At 31 December 2012	<u>44,268</u>	<u>32,153</u>	<u>16,931</u>	<u>13,793</u>	<u>107,145</u>
NET BOOK VALUE					
At 31 December 2012	<u>1,679,795</u>	<u>30,709</u>	<u>15,127</u>	<u>4,885</u>	<u>1,730,516</u>
At 31 December 2011	<u>1,683,154</u>	<u>20,184</u>	<u>16,286</u>	<u>5,103</u>	<u>1,724,727</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.12 £	31.12.11 £
Trade debtors	1,894	608
Prepayments and accrued income	<u>249</u>	<u>1,130</u>
	<u>2,143</u>	<u>1,738</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.12 £	31.12.11 £
Trade creditors	-	7,643
Social security and other taxes	1,448	2,480
Accrued expenses	<u>4,108</u>	<u>14,539</u>
	<u>5,556</u>	<u>24,662</u>

15. MOVEMENT IN FUNDS

	At 1.1.12 £	Net movement in funds £	Transfers between funds £	At 31.12.12 £
Unrestricted funds				
General fund	97,026	(111,619)	92,199	77,606
Restricted funds				
Restricted	1,807,353	5,120	(92,199)	1,720,274
TOTAL FUNDS	<u>1,904,379</u>	<u>(106,499)</u>	<u>-</u>	<u>1,797,880</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	272,658	(384,277)	(111,619)
Restricted funds			
Restricted	24,620	(19,500)	5,120
TOTAL FUNDS	<u>297,278</u>	<u>(403,777)</u>	<u>(106,499)</u>

Purpose of Restricted Funds :

Building cost of the centre	£1,679,794
Paths around the centre	£2,200
Core fitness programme & splint clinic	£20,250
Equipments for treatments	£17,118
Theatre trip for children at Christmas	£852
Trees	£60
Total	£1,720,274

Transfers between funds

During the year the Trustees approved transfers between restricted and unrestricted funds of £92,199.

A transfer of £100,000 was in relation to a fund that was received in the prior year and was classified as restricted, this was subsequently found to be unrestricted income and has therefore been transferred to unrestricted funds this year. The remaining transfers are in relation to a release of restricted funds in line with the current year depreciation charge for the freehold property.

16. CONTINGENT LIABILITIES

In March 2008, the charity received £120,000 which was recognised as income within the accounts. The terms of the donation were that it was repayable to the donor if the Charity was not fully operational for a 5 year period from the date of the payment.

The prior year accounts disclosed this as a Contingent liability, in that whilst recognition of income was appropriate on the grounds that the accounts were prepared applying the Going Concern basis of accounting, there was potential repayment due should there be cessation.

The Charity has now satisfied the condition of being in operational existence as at 31st March 2013 and future disclosure will no longer be necessary.

17. RELATED PARTY DISCLOSURES

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.

These disclosures have been reviewed and there are not considered to be any Transactions during the course of the year in which the Trustees have a material interest.

18. PURPOSES OF RESTRICTED FUNDS

Building cost of the centre

Restricted 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.

Paths around the centre

Restricted funds provided to the charity for the maintenance of the paths surrounding the centre.

Core fitness programme & splint clinic

Various restricted funds provided for the running costs associated with the core fitness programme & splint clinic. This includes a free weekly programme funded by these grants as well as Sports England.

These included:

£1,000 Donation from St Column Rotary club, £1,200 Donation from Mr Peter Coomb's, £2,250 Donation from Cornwall Community Foundation and £1,000 Donation from Mrs Antic Soapy.

Equipment for treatments

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

These included:

£2,057 Donation made by Ms Edda Libidinal, Grandmother of one of our centre and a donation of £2,000 made by Mrs Weedy Smith, Auntie of the same centre user, both to go towards the purchase of a new hoist to benefit centre users.

£6,000 Donation made by The Mr Bruce Davies Foundation to go towards the purchase of a new motion bike gym and FEAST assessments in the physio department.

£2,800 Donation for a hearing loop for our conference room to support people with hearing difficulties.

Theatre trip for children at Christmas

Restricted donation from West Cornwall Youth Trust to take children of our centre users to the pantomime.

Trees

Restricted donation from the Silvan Trust to plant trees in the grounds as part of a tree planting year

The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

Detailed Statement of Financial Activities
for the Year Ended 31 December 2012

	31.12.12	31.12.11
	£	£
INCOMING RESOURCES		
Voluntary income		
Donations	42,618	54,121
Gift aid	7,052	7,870
Legacies	32,000	210,400
Grants	<u>30,602</u>	<u>31,717</u>
	112,272	304,108
Activities for generating funds		
Fundraising events	147,202	107,218
Therapies	<u>37,804</u>	<u>18,385</u>
	<u>185,006</u>	<u>125,603</u>
Total incoming resources	297,278	429,711
RESOURCES EXPENDED		
Costs of generating voluntary income		
Insurance	260	293
Telephone	754	400
Postage and stationery	11,635	12,553
Marketing and publicity	8,349	4,910
General fundraising expenses	<u>39,764</u>	<u>20,787</u>
	60,762	38,943
Fundraising trading: cost of goods sold and other costs		
Opening stock	2,387	845
Purchases	2,013	5,589
Closing stock	<u>(2,181)</u>	<u>(2,387)</u>
	2,219	4,047
Charitable activities		
Wages	155,462	83,883
Social security	12,355	6,701
Pensions	7,415	3,729
Insurance	4,684	5,278
Light and heat	7,714	5,206
Telephone	4,697	3,601
Postage and stationery	646	697
Repairs and renewals	4,593	1,600
Subscriptions	846	596
Therapy costs	72,902	94,677
Travelling	7,416	3,435
Carried forward	278,730	209,403

This page does not form part of the statutory financial statements

The Cornwall Multiple Sclerosis
Therapy Centre Ltd
T/A The Merlin Project

Detailed Statement of Financial Activities
for the Year Ended 31 December 2012

	31.12.12	31.12.11
	£	£
Charitable activities		
Brought forward	278,730	209,403
Cleaning	10,410	12,739
Freehold property depreciation	11,160	11,108
Plant & machinery depreciation	7,678	5,046
Fixt. & fittings depreciation	3,781	4,072
Computer equip. depreciation	<u>2,407</u>	<u>2,512</u>
	314,166	244,880
Governance costs		
Wages	15,300	15,000
Social security	1,603	1,575
Accountancy	1,626	1,584
Postage & stationery	646	697
Professional fees	2,117	2,192
Auditors' remuneration	2,112	2,100
Rent & rates	755	822
Insurance	260	293
Bank charges	<u>2,211</u>	<u>252</u>
	<u>26,630</u>	<u>24,515</u>
Total resources expended	403,777	312,385
	_____	_____
Net (expenditure)/income	<u>(106,499)</u>	<u>117,326</u>