

REGISTERED COMPANY NUMBER: 02361986 (England and Wales)
REGISTERED CHARITY NUMBER: 801279

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
THE MYALGIC ENCEPHALOPATHY ASSOCIATION**

Astral Accountancy Services Limited
2B Marston House
Cromwell Business Park
Chipping Norton
Oxfordshire
OX7 5SR

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Page
Report of the Trustees	1 to 5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8 to 9
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12 to 21
Detailed Statement of Financial Activities	22 to 23

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Charitable objects

The charity is established to offer relief to persons of all ages with Myalgic Encephalopathy (M.E.) / chronic fatigue syndrome (CFS) through the provision of information and to further education in all aspect of the illness and to support research and to publish the useful results of such research.

What we do and why we do it

M.E. (myalgic encephalopathy or encephalomyelitis) is a complex multisystem disease with a wide range of disabling symptoms. The ME Association is here to support people through all stages of their illness because we desperately want to see everyone get the help they need and, through research, help to develop an effective treatment and one day even a cure.

We don't employ an expensive CEO. Instead we have a terrific team of trustees who provide strategy and management on a voluntary basis. Trustees are supported by members of staff at head office and other part-time staff who work from home.

We also have a large number of dedicated volunteers who help ensure ME Connect - the telephone helpline - is available for people needing support or information.

Our main priorities are to provide support, reliable information, a voice and representation, and funding for vital medical research.

Lobbying for positive change

Trustees attend and report on the important external conferences and meetings that take place.

We are active members of Forward ME which is an influential advocacy group comprising charity and political representatives and is led by the Countess of Mar and Carol Monaghan, MP. We also contribute to the CFS/ME Research Collaborative (CMRC) which is made up of scientists, clinicians and advocates.

The Ramsay Research Fund

We named our research programme in honour of Dr Melvin Ramsay who helped bring awareness of M.E. to the medical establishment.

He also helped establish the ME Association and was its president for a number of years. Dr Ramsay remained closely involved with the charity until his death in 1990.

We spend a lot of our time and effort working with scientists on new research grants because funding good quality biomedical research is a key priority for this charity

Support when it's needed

We put a lot of resource into giving as much support to people affected by this disease as we can. We do this by answering cries for help and providing extensive information, through phone calls at head office, emails or messages via social media or ME Connect - the telephone helpline.

We have around 5,000 paid-up members who receive ME Essential. We receive funds and support from members and an increasing number of non-members. Support for the ME Association continues to grow, most often by non-traditional methods e.g. social media.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

OBJECTIVES AND ACTIVITIES

Objectives and aims

Website and Social Media

Our website attracts over a million unique page views each year and we believe it is one of the most popular resources in the world. The What is ME? section and the MEA Blog are hugely popular.

We have significant followings on Facebook, Twitter and Instagram.

Public benefit

In preparing these financial statements and their report, the Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit and that they consider that the objectives and activities of the charity have historically and continue to fall within the scope of that guidance.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Above all, patients with ME/CFS want a beneficial treatment and a cure for their illness. During the past year the ME Association has been heavily involved in both of those fields.

In January 2019 we undertook a patient survey as to the benefit of the existing treatments for ME/CFS recommended by the National Institute for Health and Care Excellence (NICE). This was submitted to NICE as part of the evidence it sought for the NICE Guideline Review of ME/CFS and subsequently published by us. Many hundreds of hours of our charity work have been spent on this crucial review. Our medical advisor, Dr Charles Shepherd, is a co-opted member of the NICE guideline committee and attended all their meetings in London for this. We have engaged the ME/CFS community in connection with the review.

In May, we used much of the work resource of the charity to support ME Awareness Week which involved initiatives throughout the media to highlight the plight of ME/CFS sufferers. It also increases involvement of patients in fundraising events and this in turn helps reduce the sense of isolation which this illness can bring.

Each quarter we published ME Essential, a substantial and high quality Magazine, which keeps our membership fully informed of developments involving the illness. In pursuance of our remit to inform we also have a social media team. Our MEA Facebook Page, Twitter Account and Instagram, which they run, enable our many thousands of followers to ask questions and post messages. The charity has a substantial website which contains information on treatment, support, research and the latest news on developments in ME/CFS throughout the World. It features constantly at the top of Google under ME/CFS search criteria.

The charity publishes over eighty leaflets to help those with the illness cope with life. These were added to and during the year several were updated. Our guide to Universal Credit was especially well received as many of our members receive State Benefits. A 2019 Edition of "ME/CFS/PVFS-An exploration of the Key Clinical Issues" was published and as part of our remit to inform, many hundreds of copies were made freely available to medical professionals and interested organisations.

The charity provides the only 365 day telephone support helpline for people with ME/CFS. It is called "ME Connect" and is professionally managed with regular training for its volunteers and constantly reviewed information material. It is a lifeline for many who desperately need someone to talk to about their illness and how to cope with it.

The charity has a presence through Forward ME, a group of charities, who invite a range of professionals from the health, social care and research fields as well as ministers, politicians and civil servants from Government departments that have an effect on ME/CFS policy to regular meetings at the House of Lords.

The charity, through the MEA Ramsay Research Fund, was involved in funding several research studies in addition to the continued funding of the ME/CFS Biobank at the Royal Free Hospital in London. All the £80,000 basic running costs of the Biobank were provided by the Ramsay fund. Blood samples were sent out from it to research groups throughout the World. During the year the fund enabled a team from the University of Manchester to review the treatments that are recommended by NICE for ME/CFS; funded a metabolomic study at Oxford and a validation study of the Acumen test at Newcastle and Oxford.

Medical conferences were attended by trustees including those at Bristol for the CMRC and In London at the Invest in ME meeting.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

The charity continued with its involvement in the sphere of benefits and attended meetings with the Department of Work and Pensions and Maximus. In addition, much time was spent on supporting and organising a House of Commons debate on ME/CFS. Meetings with Ministers were held including one with the Minister of State for disabled people concerning problems involving Employment Support Allowance claims.

The work carried out by the charity is of high quality and to professional standards

Financial review

Unless any donation, legacy or fundraising income is expressly restricted to the purpose of funding research activities, all income is allocated to general funds.

As a charitable company, members subscribe annually. The subscription level was previously set at 50% of the net running costs, which has reduced further over the previous year, the difference in running costs is made up through donations.

In 2019, the ME association saw total income increase by £136,377 compared with the previous year. This was largely due to an increase in legacies received in the year of £192,824 (2018: £69,990).

Donation and Subscription income also increased marginally compared with 2018.

Reserves policy

Unrestricted funds

Unrestricted funds increased by £156,568 in 2019, partly due to the total legacies received.

The charity saw an increase in unrestricted costs in 2019, contractors accounted for £25,161. The fundraising manager left the charity in August 2019 and her role was then covered by a contractor. The charity also engaged with contractors to increase our content and presence on social media.

Unrestricted funds at 31 December 2019 amounted to £1,607,281 (2018: £1,450,713).

Restricted funds

Restricted funds relate to our research programme named the Ramsay Research fund. Restricted donations and legacies received remain relatively low at 14% of total income in 2019 (2018: 13%).

Restricted funds decreased by £100,822 in 2019.

Restricted expenditure relates to costs relating to research and related costs.

Restricted funds at 31 December 2019 amounted to £112,975 (2018: £213,797).

Reserves

Total funds stood at £1,720,256 at 31 December 2019.

The MEA recognises its duty to hold reserves for general funds against the continuing accrued responsibility to deliver services over the 12 months from annual subscriptions, plus the practicality of budgeting for the potential costs of winding up the company should viability be deemed unachievable. A surplus has been built up in the unrestricted reserves which can potentially allow the company to continue trading at a small deficit for some period before having to consider the need to wind up, or until its trading balances recover.

The MEA holds separate funds restricted in purpose for financing research into aspects of the cause of and development of treatment of the disease. The company recognises its duty to hold reserves of restricted funds to meet accrued commitments to fund research projects, or to hold such reserves in both restricted and unrestricted funds, in addition to its existing obligations for holding unrestricted reserves.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Financial review

Reserves policy

Reserves

Restricted reserves cannot be used for purposes other than the objectives of supporting and publishing research. In the event of the company winding up, the board has the responsibility of disbursing the balance of any restricted funds to a UK charitable fund with purposes closest to the objective of supporting and publishing research into Myalgic Encephalopathy.

Free Reserves

Free reserves at the end of 2019 were £1,460,326 (2018: £1,296,560). Free reserves are calculated as unrestricted reserves less the net book value of fixed assets.

Covid-19 - Impact on the charity

It is difficult to establish what effects the virus, Covid 19, will have on the charity as it is only some months since the start of the pandemic. However, early indications are that it will have little impact.

The charity's main income streams are subscriptions, merchandise, donations, fundraising and legacies. All of these are holding up well, fundraising events such as fun runs have suffered but some were replaced by 'virtual events'. Compensating for any losses, our vibrant social media channels are reaching a growing audience and attracting donations.

One of the major impacts of Covid 19 looks to be a substantial increase in post viral fatigue states, subsequently morphing in to Myalgic Encephalomyelitis /Chronic Fatigue. The media's increasing interest in this topic and the likely increasing population suffering from such fatigue may have a positive effect on the charity. Although the demand for our services will rise, membership and donations are likely to follow that trend.

The charity has used the Government's 'furlough' scheme for two of its staff, albeit for a short period. Due to Covid 19, namely the difficulty of placing media stories about ME/CFS during the pandemic, the trustees took an early decision to end a contractor's contract in providing Public Relations services to the charity. This resulted in reduced monthly expenditure.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association.

Charity constitution

The charity constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Membership

Members subscribe annually and voting rights are based on the currency of their subscription. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

Recruitment and appointment of new trustees

The charity is managed by elected trustees. The Articles of Association require that one third of the trustees retire every two years but remain eligible for re-election. Trustees are elected by the members of the charity and must comprise of people with an interest in ME/CFS.

Applications to become a trustee are advertised in both the quarterly magazine of the charity and its social network media. Reference is made that applications are welcome from all and to ethnic diversity. There is a limit of eight trustees but the Board can co-opt up to three additional members at any time. Co-opted trustees are then put forward to the membership for election at the next annual general meeting (AGM) at which elections will take place.

Voting takes place by either postal ballot or at the AGM.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02361986 (England and Wales)

Registered Charity number
801279

Registered office
Unit 7 Apollo Office Court
Radcliffe Road
Gawcott
Buckingham
Buckinghamshire
MK18 4DF

Trustees
Miss M Ainsworth-Wells
Mrs N Anson
Mr E S Dale
Mr R W Osman
Mr N H Riley
Dr C B Shepherd
Mrs C N Strong

Independent examiner
Astral Accountancy Services Limited
2B Marston House
Cromwell Business Park
Chipping Norton
Oxfordshire
OX7 5SR

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 11 August 2020 and signed on the board's behalf by:

Mr N H Riley - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
THE MYALGIC ENCEPHALOPATHY ASSOCIATION**

Independent examiner's report to the trustees of The Myalgic Encephalopathy Association ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2019.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached

Mrs Emily Proctor
ACCA
Astral Accountancy Services Limited
2B Marston House
Cromwell Business Park
Chipping Norton
Oxfordshire
OX7 5SR

12 August 2020

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

		Unrestricted fund £	Restricted fund £	2019 Total funds £	2018 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	438,414	75,174	513,588	374,851
Other trading activities	3	26,620	-	26,620	31,962
Investment income	4	<u>11,516</u>	<u>3,987</u>	<u>15,503</u>	<u>12,521</u>
Total		476,550	79,161	555,711	419,334
 EXPENDITURE ON					
Charitable activities	5				
Information and support		<u>319,982</u>	<u>179,983</u>	<u>499,965</u>	<u>454,491</u>
NET INCOME/(EXPENDITURE)		156,568	(100,822)	55,746	(35,157)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,450,713</u>	<u>213,797</u>	<u>1,664,510</u>	<u>1,699,667</u>
 TOTAL FUNDS CARRIED FORWARD		<u>1,607,281</u>	<u>112,975</u>	<u>1,720,256</u>	<u>1,664,510</u>

The notes form part of these financial statements

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**BALANCE SHEET
AT 31 DECEMBER 2019**

				2019	2018
		Unrestricted	Restricted	Total funds	Total funds
	Notes	fund	fund		
		£	£	£	£
FIXED ASSETS					
Tangible assets	13	146,955	-	146,955	154,153
CURRENT ASSETS					
Stocks	14	7,244	-	7,244	5,692
Debtors	15	151,398	8,676	160,074	75,246
Investments	16	468,272	133,087	601,359	677,437
Cash at bank		880,727	-	880,727	826,964
		1,507,641	141,763	1,649,404	1,585,339
CREDITORS					
Amounts falling due within one year	17	(47,315)	(28,788)	(76,103)	(74,982)
NET CURRENT ASSETS		1,460,326	112,975	1,573,301	1,510,357
TOTAL ASSETS LESS CURRENT LIABILITIES		1,607,281	112,975	1,720,256	1,664,510
NET ASSETS		1,607,281	112,975	1,720,256	1,664,510
FUNDS	18				
Unrestricted funds				1,607,281	1,450,713
Restricted funds				112,975	213,797
TOTAL FUNDS				1,720,256	1,664,510

The notes form part of these financial statements

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2019**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each 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 charitable company.

The financial statements were approved by the Board of Trustees on 11 August 2020 and were signed on its behalf by:

Mr N H Riley -Trustee

Mrs N Anson -Trustee

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	(30,247)	(63,937)
Interest paid		<u>(3,883)</u>	<u>(3,626)</u>
Net cash provided by (used in) operating activities		<u>(34,130)</u>	<u>(67,563)</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(3,688)	(303)
Decrease in Term Deposits		76,078	(118,325)
Interest received		<u>15,503</u>	<u>12,521</u>
Net cash provided by (used in) investing activities		<u>87,893</u>	<u>(106,107)</u>
		<u> </u>	<u> </u>
 Change in cash and cash equivalents in the reporting period		53,763	(173,670)
Cash and cash equivalents at the beginning of the reporting period		<u>826,964</u>	<u>1,000,634</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>880,727</u></u>	<u><u>826,964</u></u>

The notes form part of these financial statements

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	55,746	(35,157)
Adjustments for:		
Depreciation charges	10,741	10,596
Loss on disposal of fixed assets	145	-
Interest received	(15,503)	(12,521)
Interest paid	3,883	3,626
(Increase)/decrease in stocks	(1,552)	823
Increase in debtors	(84,828)	(46,823)
Increase in creditors	<u>1,121</u>	<u>15,519</u>
Net cash provided by (used in) operating activities	<u>(30,247)</u>	<u>(63,937)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
Net cash			
Cash at bank	826,964	53,763	880,727
Liquid resources			
Current asset investments	677,437	(76,078)	601,359
Total	<u>1,504,401</u>	<u>(22,315)</u>	<u>1,482,086</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Myalgic Encephalopathy Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either; the company is aware that the probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, 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 company has been notified to the executor's intention to make a distribution. Where legacies have been notified to the company, or the company 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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services of facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. In accordance with Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company 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.

Other income is recognised in the period in which it is recoverable and to the extent the goods have been provided or on completion of the service.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. 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 are expended in the furtherance of the charity's objectives.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Allocation and apportionment of costs

Tangible fixed assets

All assets costing more than £100 are capitalised.

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

Leasehold Property	- Over 20 years
Fixtures and fittings	- Over 4 years
Office equipment	- Over 4 years

Stocks

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

Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Taxation

The charity is exempt from corporation tax on its charitable activities offered by the Corporation Tax Act Part 2 of chapter 3. Accordingly there is no corporation tax charge in these accounts.

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.

Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES – continued

Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at Bank in hand

Cash at bank in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Cash deposits that are not readily accessible within 3 months are classified as Term deposits.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipated it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	243,099	229,148
Legacies	192,824	69,990
Subscriptions	<u>77,665</u>	<u>75,713</u>
	<u>513,588</u>	<u>374,851</u>

3. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Other incoming resources	3,319	3,317
Trading	<u>23,301</u>	<u>28,645</u>
	<u>26,620</u>	<u>31,962</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. INVESTMENT INCOME

	2019	2018
	£	£
Investment income	<u>15,503</u>	<u>12,521</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6)	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
Information and support	<u>321,850</u>	<u>173,816</u>	<u>4,299</u>	<u>499,965</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019	2018
	£	£
Staff costs	180,164	157,097
Equipment hire	1,545	2,325
Purchases	14,220	14,166
Postage, telephone and stationery	29,290	17,132
Sundries	1,636	3,030
Travel and subsistence	7,426	23,594
Meeting costs	1,309	314
Printing	24,014	18,539
Office expenses	5,426	4,996
Repairs and maintenance	3,942	704
Cleaning	989	1,020
IT Consultant	3,720	1,578
Irrecoverable VAT	3,461	2,123
Subscriptions	3,501	1,115
Medical consultant's fees	-	4,167
Training	123	2,692
Magazine contractors	17,167	12,600
Medical literature	1,245	1,170
Other costs	3,463	3,934
Website Costs	3,045	-
Recruitment Expenses	1,395	-
Depreciation	10,741	10,596
Loss on sale of assets	145	-
Interest payable and similar charges	<u>3,883</u>	<u>3,626</u>
	<u>321,850</u>	<u>286,518</u>

7. GRANTS PAYABLE

	2019	2018
	£	£
Research - Bio bank	73,238	85,281
Research - Oxford University	50,319	53,955
Science conference	-	3,719
Others	<u>50,259</u>	<u>21,031</u>
	<u>173,816</u>	<u>163,986</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 201**

8. SUPPORT COSTS

	Governance costs
	£
Information and support	<u>4,299</u>

Support costs, included in the above, are as follows:

	2019	2018
	Information and support	Total activities
	£	£
Accountancy fees	<u>4,299</u>	<u>3,987</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Accountancy fees	4,299	3,987
Depreciation - owned assets	10,741	10,596
Equipment hire	1,545	2,325
Deficit on disposal of fixed asset	<u>145</u>	<u>-</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

4 Trustees received reimbursement of expenses amounting to £10,333 in the current year, (2018 - 4 Trustees - £2,799).

THE MYALGIC ENCEPHALOPATHY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

11. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	171,438	146,318
Social security costs	6,240	6,658
Other pension costs	<u>2,486</u>	<u>4,121</u>
	<u>180,164</u>	<u>157,097</u>

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

2019	2018
<u>7</u>	<u>7</u>

No employees received emoluments in excess of £60,000.

The Key Management Personnel of the charity are represented by the trustees, who are not remunerated.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	323,014	51,837	374,851
Other trading activities	31,962	-	31,962
Investment income	<u>8,506</u>	<u>4,015</u>	<u>12,521</u>
Total	363,482	55,852	419,334
 EXPENDITURE ON			
Charitable activities			
Information and support	<u>301,509</u>	<u>152,982</u>	<u>454,491</u>
Total	<u>301,509</u>	<u>152,982</u>	<u>454,491</u>
 NET INCOME/(EXPENDITURE)	61,973	(97,130)	(35,157)
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,388,740</u>	<u>310,927</u>	<u>1,699,667</u>
 TOTAL FUNDS CARRIED FORWARD	<u>1,450,713</u>	<u>213,797</u>	<u>1,664,510</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2019	177,712	2,685	36,204	216,601
Additions	-	1,965	1,723	3,688
Disposals	-	(2,522)	(29,432)	(31,954)
At 31 December 2019	<u>177,712</u>	<u>2,128</u>	<u>8,495</u>	<u>188,335</u>
DEPRECIATION				
At 1 January 2019	26,658	2,685	33,105	62,448
Charge for year	8,886	82	1,773	10,741
Eliminated on disposal	-	(2,522)	(29,287)	(31,809)
At 31 December 2019	<u>35,544</u>	<u>245</u>	<u>5,591</u>	<u>41,380</u>
NET BOOK VALUE				
At 31 December 2019	<u>142,168</u>	<u>1,883</u>	<u>2,904</u>	<u>146,955</u>
At 31 December 2018	<u>151,054</u>	<u>-</u>	<u>3,099</u>	<u>154,153</u>

14. STOCKS

	2019 £	2018 £
Stocks	<u>7,244</u>	<u>5,692</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	-	368
Other debtors	19,685	11,122
Tax recoverable	997	45
Legacies	138,692	58,240
Prepayments and accrued income	<u>700</u>	<u>5,471</u>
	<u>160,074</u>	<u>75,246</u>

16. CURRENT ASSET INVESTMENTS

	2019 £	2018 £
Term deposits	<u>601,359</u>	<u>677,437</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	4,722	1,759
Social security and other taxes	2,782	2,582
Other creditors	1,355	2,994
Grant commitments	28,789	27,259
Accruals and deferred income	<u>38,455</u>	<u>40,388</u>
	<u>76,103</u>	<u>74,982</u>

Deferred Income	£
Deferred income at 1 January 2019	33,403
Resources deferred during the year	33,670
Amounts released from previous years	(33,403)
Deferred income at 31 December 2019	<u><u>33,670</u></u>

Deferred income represents deferred annual membership subscriptions.

18. MOVEMENT IN FUNDS

	At 1.1.19	Net movement in funds	At 31.12.19
	£	£	£
Unrestricted funds			
General fund - unrestricted	1,450,713	156,568	1,607,281
Restricted funds			
Ramsay Research Fund	213,797	(100,822)	112,975
	<u>1,664,510</u>	<u>55,746</u>	<u>1,720,256</u>
TOTAL FUNDS			

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund - unrestricted	476,550	(319,982)	156,568
Restricted funds			
Ramsay Research Fund	79,161	(179,983)	(100,822)
	<u>555,711</u>	<u>(499,965)</u>	<u>55,746</u>
TOTAL FUNDS			

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.18 £	Net movement in funds £	At 31.12.18 £
Unrestricted Funds			
General fund - unrestricted	1,388,740	61,973	1,450,713
Restricted Funds			
Ramsay Research Fund	310,927	(97,130)	213,797
TOTAL FUNDS	<u>1,699,667</u>	<u>(35,157)</u>	<u>1,664,510</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund - unrestricted	363,482	(301,509)	61,973
Restricted funds			
Ramsay Research Fund	55,852	(152,982)	(97,130)
TOTAL FUNDS	<u>419,334</u>	<u>(454,491)</u>	<u>(35,157)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.18 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund - unrestricted	1,388,740	218,541	1,607,281
Restricted funds			
Ramsay Research Fund	310,927	(197,952)	112,975
TOTAL FUNDS	<u>1,699,667</u>	<u>20,589</u>	<u>1,720,256</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund - unrestricted	840,032	(621,491)	218,541
Restricted funds			
Ramsay Research Fund	<u>135,013</u>	<u>(332,965)</u>	<u>(197,952)</u>
TOTAL FUNDS	<u><u>975,045</u></u>	<u><u>(954,456)</u></u>	<u><u>20,589</u></u>

Ramsay Research - This fund reflects funding restricted for use towards medical and scientific research into the nature and function of the disease processes involved in ME, plus CFS & PVFS as appropriate, and into the development of potential treatments for such aspects of the disease.

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2019.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	243,099	229,148
Legacies	192,824	69,990
Subscriptions	<u>77,665</u>	<u>75,713</u>
	513,588	374,851
Other trading activities		
Other incoming resources	3,319	3,317
Trading	<u>23,301</u>	<u>28,645</u>
	26,620	31,962
Investment income		
Investment income	<u>15,503</u>	<u>12,521</u>
Total incoming resources	555,711	419,334
EXPENDITURE		
Charitable activities		
Wages	171,438	146,318
Social security	6,240	6,658
Pensions	2,486	4,121
Equipment hire	1,545	2,325
Purchases	14,220	14,166
Postage, telephone and stationery	29,290	17,132
Sundries	1,636	3,030
Travel and subsistence	7,426	23,594
Meeting costs	1,309	314
Printing	24,014	18,539
Office expenses	5,426	4,996
Repairs and maintenance	3,942	704
Cleaning	989	1,020
IT Consultant	3,720	1,578
Irrecoverable VAT	3,461	2,123
Subscriptions	3,501	1,115
Medical consultant's fees	-	4,167
Training	123	2,692
Magazine contractors	17,167	12,600
Medical literature	1,245	1,170
Other costs	3,463	3,934
Website Costs	3,045	-
Recruitment Expenses	1,395	-
Medical Subscriptions	-	-
Depreciation	10,741	10,596
Loss on sale of tangible fixed assets	145	-
Carried forward	317,967	282,892

This page does not form part of the statutory financial statements

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	£	£
Charitable activities		
Brought forward	317,967	282,892
Bank charges	3,883	3,626
Grants to institutions	<u>173,816</u>	<u>163,986</u>
	495,666	450,504
 Support costs		
Governance costs		
Accountancy fees	<u>4,299</u>	<u>3,987</u>
 Total resources expended	499,965	454,491
	<hr/>	<hr/>
 Net income/(expenditure)	<u><u>55,746</u></u>	<u><u>(35,157)</u></u>

This page does not form part of the statutory financial statements