

Registered number: 02361986
Charity number: 801279

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Trustees

Mr E Dale
Mr R Osman
Mr N Riley
Dr C Shepherd
Miss M Ainsworth-Wells
Mrs C Strong
Mrs Nicola Anson (appointed 4 August 2017)

Company registered number

02361986

Charity registered number

801279

Registered office

7 Apollo Office Court, Radclive Road, Gawcott, Buckinghamshire, MK18 4DF

Company secretary

Mrs G Briody

Accountants

Larking Gowen, 1 Claydon Business Park, Great Blakenham, Ipswich, Suffolk, IP6 0NL

Bankers

Lloyds TSB Bank Plc, 22 Grover Walk, Corringham, Stanford-Le-Hope, Essex, SS17 7LY

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act), present their annual report together with the financial statements of The Myalgic Encephalopathy Association Limited (the company) for the Year ended 31 December 2016. The Trustees confirm that the Annual Report and financial statements of the company comply with the Charities Act 2011, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) the Memorandum and Articles of Association of the charity, 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).

SUMMARY REPORT FOR 2016

2016 saw the Myalgic Encephalopathy Association (MEA) again benefitting from the growing support of members, family, and friends who have been raising funds to donate to the MEA. Our supporters deserve the continuing thanks of the Board, other members and the wider Myalgic Encephalopathy (ME) and Chronic Fatigue Syndrome (CFS) patient population.

This support has seen the MEA performing increasingly ahead of inflation in its underlying finances, plus it has benefitted from a significant proportion of occasional legacies and large donations.

In pursuit of its purposes "to offer relief to persons of all ages with ME/CFS through the provision of information, and to further education in all aspects of the illness, and to support research and to publish the useful results of such research", the MEA's existing activities have been performed at least as successfully as previous years, and additional time-limited projects undertaken as circumstances allowed. However, the MEA has remained limited in its ability to increase long-term activities except where it would be able to recruit and retain suitably experienced volunteers.

Members that rely on variously qualifying for support in sustaining basic finances, in receiving necessary care provision, in reaching effective medical treatment, and in continuing in education or employment, have faced increasing pressure on recognition of their eligibility, from restrictive changes in legislation and from increasing constraints in available budgets.

Momentum in research likely to lead to potential diagnostic tests and treatment options has been developing both in the UK and internationally. However, there has been less improvement in medical practitioners' abilities to achieve existing standards in effective diagnosis and treatment.

The MEA has continued to pursue its existing activities in informing and supporting members, their families and friends, and in informing, influencing and supporting improved practice in service providers. It has also continued to be involved in the development of research forums, in funding individual research projects, and in supporting the development of a major research facility.

Details of these activities are reported under Our Purposes and Activities below.

Having been involved in funding the development of a Biobank holding samples from ME/CFS patients for supply to researchers, the MEA continued its support, undertaking 2 years funding for 2016/7, having raised donations during 2014/5 to meet the first year's costs.

The MEA has also been involved in the development of the UK CFS/M.E. Research Collaborative, as a board member and by supporting its annual conferences.

While a small number of research projects supported by the MEA's Ramsay Research Fund (RRF) had been completed, were nearing completion, or were still in development during 2016, one research project agreed in 2015, was funded and completed in 2016, with 2 further research projects being developed in 2016, then progressed in 2017. Crowdfunding before Christmas 2016 produced a large contribution to the costs for the larger of these.

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Having undertaken a complex survey of members' experiences of three types of approach to symptom management, delivered in different ways, separately and in combinations, the MEA had been developing the analysis and reporting of the survey results. The first volume of this reporting, relating to the use of these management approaches under health professionals' supervision, was published in May 2015, entitled "No decision about me without me". Further analysis was progressed during 2015/2016.

The MEA's provision of printed information remains central to its activities. During 2016, 1 new leaflet and 1 new booklet were produced, with 5 leaflets updated.

With many developments in the field since the last version of the MEA's medical guide "ME/CFS/PVFS: An Exploration of the Key Clinical Issues" was published, a major revision was published in 2016. (PVFS refers to Post Viral Fatigue Syndrome – a term which has also been used to describe patients who appear to have become infected by a virus leading to their ongoing illness.)

To make the most of this revision, a proposal to raise money for a campaign to promote the revised guide – as part of an initiative to encourage practitioners to improve their speed and quality of diagnosis and treatment development called "Early and Accurate Diagnosis of ME" (with the secondary title "Diagnose ME Quickly") – was submitted to and accepted by The Big Give Christmas Challenge, an annual match-funding event. Starting in December 2015, the event raised over eleven thousand pounds for this campaign, which was enacted following publication in June 2016.

These are just a selection of the activities described through this report. Throughout the year, the MEA participated in conferences and meetings with researchers and practitioners. It also participated in meetings of the Forward ME Group at Westminster, and a group advising the Department of Work and Pensions on improving recognition of fluctuating conditions. In May, the MEA participated in a meeting at Oxford, with a film on ME/CFS being shown, plus presentations on research, and discussion.

Although limited in its scope compared to the scale of need amongst its members and the wider ME and CFS patient population, the MEA has been able to perform effectively compared to its resources, thanks to the staff and all the volunteers, from its chair to those members who manage to join in at any level in supporting our initiatives, and circulating our information and concerns.

The effectiveness of campaigning is growing, alongside research and the support from those members, family and friends who are able to sustain involvement in patient support and in fundraising.

OBJECTS AND ACTIVITIES

The exclusively charitable purposes for which the ME Association is established, are stated in its memorandum as, "The principal object of the company is to offer relief to persons of all ages with Myalgic Encephalopathy (ME) Chronic Fatigue Syndrome (CFS) through the provision of information and to further education in all aspects of the illness and to support research and to publish the useful results of such research."

Offering relief to persons of all ages with ME/CFS through provision of Information

Within the limits of its resources, the MEA achieves these objectives by informing its members of developments in understanding and treatment of the illness, and in factors affecting the lives of sufferers and sufferers' families, carers, employers or any other persons with whom they have obligations. Where possible, the MEA represents members' interests in forums that determine the course of service provision to meet the needs of sufferers and others, and reports on such participation to members. This information is distributed in the quarterly magazine sent to members, and on the website, the Facebook page, and the Twitter account. More detailed information is available in MEA literature for sale, in the form of the medical guidance booklet,

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information leaflets, the book describing the illness written by our late mentor Dr Melvin Ramsay, and copies of current reports on aspects of the illness that the MEA has published, helped produce or endorsed.

Telephone helpline

Also in pursuance of its objects, the company operates ME Connect, its telephone helpline service, which is manned for six hours each day of the year, in 2-hour periods during mornings, afternoons and evenings. The service is structured and professionally managed, fully taking into account the guidelines for good practice set by The Helplines Partnership, of which it is a member.

Up to 40 volunteers are trained and supervised until they receive the required competency, with their training being regularly up-dated. This work is carried out by the helpline manager with a few experienced volunteers who are selected to help with the management of the service, including the supervision and training programme.

A comprehensive range of written guidance is provided for volunteers, and is regularly reviewed and upgraded (in conjunction with information leaflets offered for sale, and information posted on the website). Support and guidance is instigated between the helpline manager and each volunteer based on their circumstances and experience, and is regularly reviewed.

Correspondence

The operating standards developed for the telephone helpline are applied to responses to enquiries received by mail, by email, or posted on the ME Association's website, Facebook and Twitter pages.

Furthering education in all aspects of the illness

As reported above, the MEA produces and periodically updates its medical guidance booklet, "ME/CFS/PVFS – An exploration of the key clinical issues", providing comprehensive clinical advice to professionals and patients, and looks for viable opportunities to promote its use to medical professionals and others charged with assessing or providing support for the needs for sufferers. In 2016, the MEA published the enlarged and redesigned 8th edition of its clinical guide. Due to the large amount of research activity and health policy development internationally, a further enlarged revision was developed and published as the 9th edition in May 2017.

The company also produces and regularly updates its range of advice and information leaflets covering specific aspects of clinical or social support advice, or combinations of these (in more detail where available), and similarly looks for viable opportunities to promote their use to professionals.

The MEA continued with its policy of sending a copy of its clinical guide, plus any other literature, to any medical practitioner nominated by any patient, or who requested information directly. In 2015, members were invited to donate funds in support of growing this initiative, and promoting medical education developments in support. Donations in response to this initiative continued into 2016, with activities in pursuance continuing to date.

Following publication of each edition of the clinical guide, the MEA has received requests and orders from outside the UK to distribute copies to medical practitioners and researchers, and to patients and patient support groups.

The MEA seeks to monitor all suitable conferences and other developmental and educational events covering aspects of the illness, and to participate in the most viable of these, by attendance, participation, representation, presentations to attendees at such events, or, where advantageous, by supporting the attendance of an appropriate professional or expert. Where suitable, the company will arrange such an event of its own.

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The MEA seeks to monitor all suitable advocacy organisations with which it shares aims, and to assess the viability of cooperating with such organisations, and pursue such cooperation, within the limits of its resources.

The MEA also seeks to monitor all potential opportunities to lobby authorities responsible for the recognition of ME/CFS across professional bodies and service suppliers, and to assess the viability of participating with such organisations, within the limits of its resources. This includes support of and participation at parliamentary groups in the UK parliament, and research development groups. The MEA has frequently submitted information to, or contributed to, or supported submissions to government agencies, service providers, and research bodies, both in the UK and abroad, as opportunity and resources have allowed.

Supporting & publishing research

The MEA gathers funds restricted for use in the funding of 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. Applications are received from scientific and clinical researchers interested in examining topics within that range. These are initially assessed by the MEA board and suitable referees are then sought for further evaluation of proposals where appropriate. A successful applicant is offered a level of funding agreed by the board, advised of the MEA's normal terms and conditions, and invited to submit draft contracts, specifications, programmes and other documentation. Agreed documentation becomes a basis of contract between the company and the researcher plus their medical research or academic establishment.

Where necessary and appropriate, the company will also evaluate applications and grant money for the publication of such research, whether or not previously funded by the company. The company will also consider evaluation of and grants for the costs of disseminating the results of such research to academic and professional bodies.

In particular circumstances, the company will also evaluate applications and grant money for the maintenance and coordination of materials and facilities used for suitable research projects to maintain their availability as a resource for future suitable research projects.

During 2016, the following projects were supported by payments in respect of grants from the company:

- UK Myalgic Encephalomyelitis / Chronic Fatigue Syndrome Biobank, Phase II : Dr Luis Nacul (et al), London School of Hygiene and Tropical Medicine – (Funding committed for Phases I & II: £20,693 in 2011, £60,000 in 2012 & £70,857 in 2013.) (Funding committed and paid in 2015: £7,228.) Funding committed in 2015 for payment in 2016/7: £40,444. Funding committed in 2015 for payment in 2017/8: £43,886.

Having co-funded the first phase of this project from 2011, and the second phase from 2013, the MEA then continued as sole funder of the third phase from 2015, during which the project sought establishment funding from other sources for its future continuity.

Use of the Biobank by researchers had started in 2013, and the project developed its outreach subsequently. The MEA fundraised specifically for support of this project after 2015, with £35,317 realised towards the funding for 2016/7. In 2017/8, the next stage of this third phase is being funded by £43,886 from the MEA.

The MEA has participated in a Steering Group throughout this project, and took on chairing this committee during the third phase of the project.

- Establishing protocols to assess mitochondrial function in Neutrophils and Monocytes from ME/CFS patients. Karl Morten, Oxford University – Funding committed in 2016: £20,503. Funds paid in 2016: £7,469.

This project to further develop understanding of the effectiveness and suitability of testing processes for

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mitochondrial function from blood samples of ME/CFS patients followed on from 2 previous projects investigating mitochondrial testing. It intended to lead to the most potentially useful research approaches for specific aspects of mitochondrial dysfunction in these patients.

- microRNA profiles in peripheral blood mononuclear cells (PBMCs) and exosome-enriched vesicles. Prof. Elisa Oltra, Universidad Católica de Valencia "San Vicente Mártir". – Funding committed in 2017: €56,974 (£49,350).

Using blood samples from people with severe ME/CFS from the ME Biobank, the study examines miRNA profiles, compared to controls, to find miRNA profiles to serve as biomarkers for diagnostic and sub-grouping, plus disease severity, for objective measurement of treatment effects. Findings could also reveal alterations in key cellular pathways leading to new approaches on drug treatment for ME/CFS.

- Investigating altered metabolism in ME/CFS using comprehensive metabolic profiling by mass spectrometry and Raman microscopy. Karl Morten (et al), Oxford University – Funding committed in 2017: £116,283.

Reviewing recent advances in use of tests for metabolomics, on ME/CFS and other conditions, Karl Morten, Prof. James McCullagh, and colleagues at Oxford and Newcastle agreed the most likely options to pursue successfully in specific research aimed at investigations relating to mitochondrial function. From initial acceptance of their outline proposal in 2016 to full agreement in Spring 2017, the team continued to hone the study, which uses samples from the Biobank.

Recognising the strength of interest in research developing in Oxford, in conjunction with colleagues at other research centres, the MEA decided to crowd-fund in relation to the proposed study during Autumn & Winter 2016/7, in advance of the proposal.

- UK Disease Register / Patient Database : Dr Derek Pheby, Buckinghamshire New University – Funds paid in 2017: £3441.

Co-funded with Action for ME and ME Research UK, this 2013 project to relocate the disease register, was interrupted before completion, then terminated. A smaller project to evaluate the data was developed from 2014 and carried out in 2015. Investigation of potential retention of the data as an active resource, during 2015 & 2016, was unsuccessful. The retained final payment was settled in January 2017.

- CFS/ME and the value of monitored exercise testing in diagnosis and explanation of post-exertional malaise (pilot study) – Dr Megan Arroll, University of East London — (Funding committed in 2013: £32,000.)

This pilot study aimed to confirm the magnitude of physical and mental post-exertional malaise, correlated with markers of disturbed oxygen utilisation. Measured functioning was analysed together with the patients' own reports of fatigue, mood and sleep. The project commenced in 2013, but progress was delayed during 2014. Attempts to restart the project have failed to date, and a final decision over potential completion or termination of the contract is scheduled for December 2017.

- ME Association Patient Survey Examining the Acceptability, Efficacy and Safety of Cognitive Behavioural Therapy, Graded Exercise Therapy and Pacing, as Interventions used as Management Strategies for ME/CFS. (Costs were met from unrestricted funds.)

During 2012, the MEA surveyed experiences of specific treatments offered across the NHS for CFS/ME, in relation to participants' diagnoses of ME, CFS or PVFS, to other forms of energy management tried, to the scale and duration of effects on symptoms resulting from treatment, and to effects on participants' functional and fiscal status following treatment. The questionnaire was completed and analysis begun in 2012. The complex analysis has been continued in stages throughout 2013 to 2017.

The report, of analysis of survey responses relating to experience of these management approaches under

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health professionals' supervision, was published in May 2015, entitled "No decision about me without me".

In 2015, the Dr Keith Geraghty, the main analyst for the survey, was co-author of a study published in Jacobs Journal of Physiology. Then from June 2016, he wrote or co-wrote 4 papers and articles published in journals plus one BMJ Blog, up to December.

With the National Institute for Health and Care Excellence (NICE) due to consider whether its guideline "CG53 : Chronic fatigue syndrome/myalgic encephalomyelitis (or encephalopathy): diagnosis and management" should be reviewed, the MEA recognised the value of these published articles as potential evidence. It was agreed that Dr Geraghty's production of reviews and articles be supported and directed to producing further useful evidence. £5,000 funding was agreed with £1,000 paid in February then £4,000 paid in July 2017, partly in recognition of his role in the production of a special edition of the Journal of Health Psychology reviewing the PACE trial.

- The MEA became involved in a project to develop a research body to promote improvement in the quality and quantity of research into CFS/ME, led by Professor Stephen Holgate of Southampton University and the MRC Expert Group on ME/CFS which led to the setting up of the UK CFS/M.E. Research Collaborative in 2013. The MEA has participated as a member of the executive board and in supporting annual conferences, funding travel for guest speakers, and providing grants for students to attend the 2015, 2016 and 2017 annual conferences in Newcastle and Bristol (with co-funding from a donor).
- With growth in research and governments' health initiatives internationally, and movement in funding, the MEA sought a part-time research assistant to monitor and report on these developments. Between December 2015 and November 2016, a PhD student fulfilled this role. After attempting to rely on copy writers for some weeks, a new research assistant was engaged in 2017.
- Trustees were funded to attend conferences on research into ME/CFS or on research into aspects of illness including ME/CFS. Trustees were also funded to attend medical meetings relevant to the understanding of ME and the development of research and practice.

ACHIEVEMENTS AND PERFORMANCE

The ME Association continues to look for and take up opportunities to improve and increase the level of service it provides within its limited resources. Whereas efforts in some areas are more effective than in others, each area of service has previously been deemed necessary to retain and has been reduced to an effective level, leaving little scope for anything other than renewal and expansion.

The MEA has continued to grow its income beyond increases in expenditure plus other inflation pressures, and regularly compares the increases in its income from potentially recurring sources plus from occasional sources, to the probable costs of increasing its activities in pursuit of its purposes.

This growth follows from the small increase in membership in recent years, and the greater increase in the number of members, their families and supporters who undertake fundraising activities and donate the proceeds, with support from our staff as suitable.

The board have regularly monitored levels of interaction with members and non-members, where differentiable, in take-up of our literature, approaches for scientific information, and visits to our website. Movement in membership has also been monitored. Opportunities for gathering more indicators of differences between interaction with and support from members and non-members are regularly considered, within the limits of the Data Protection Act, and the company's costs.

Despite increase in funds, resources remain insufficient to sustain funding in all areas where members' need could be met to some degree, so the diversion of funds into exercises measuring the comparative outcomes of existing activities is not a cost-efficient method of performance assessment. Similarly, exercises to produce

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levels of reporting to meet standards for funding applications that are necessary for applicants with larger and more complex finances, may be too demanding for the risk of gaining adequate return.

In past years much of the effect of the MEA's activities has necessarily been aimed at mitigating the negative effects of health, insurance and care policies and approaches that have been based on a reductive view of the illness and its scale, range and persistence. Recent momentum has been towards balanced and positive recognition of the nature of the illness and the potential for relatively effective treatment. It remains necessary to persist in pushing for general improvement, but the MEA also needs to increase its impact in improving detailed understanding amongst practitioners and others delivering support. In pursuing this progress, the MEA has been aware of objectives in common with other patient representation, service user, and professional development groups, and sought reciprocal reinforcement of activities where suitable.

FINANCIAL REVIEW

Subscriptions, donations and fundraising are received into general funds, except where the donation or fundraising event is expressly restricted to the purpose of funding research activities. The sole interest arising from income to general funds is the subscribers' right to expect the company to continue to deliver its services to them and on their behalf for the period consequent to their subscription. Against this, the company has to ensure that it can expect to receive income to meet its continuing and longer-term undertakings.

As a charitable company, members subscribe annually, and, in recognition of the financial hardship faced by many members, the subscription level was previously set at approximately 50% of the net running cost per member, which has been reducing to a level in 2016 of approximately 35%. (Calculated from year end journal figures of £73,361 subscription income as a percentage of £209,915 recorded unrestricted expenditure.) Members are advised of this and encouraged to donate where able, to make up the difference. Members are also encouraged to propose and hold specific events of various sizes and frequencies to raise donations.

Donations from individuals and resulting from such events have been covering an increasing proportion of costs, and providing an underlying growth in reserve funds. In 2016, this increased significantly, even after income donated towards the Christmas Appeals is discounted. Most other income streams also sustained or increased, resulting in a net surplus in "unrestricted" (or general) funds, before adding on a significant amount of unrestricted income from legacies.

With occasional legacies and large donations being unreliable as sources of future income, members and their supporters have been encouraged to increase donations and smaller fundraising activities to fully cover costs. The company's effectiveness in encouraging and supporting extraordinary income sources continues to be developed within the limited resources available, with some increasing success.

Restricted funding income streams have not grown to the same extent as unrestricted, with occasional legacy income remaining the main source, even when periodic calls for funding support are made in conjunction with intended research expenditure. The MEA continues to review the balance of its reserves across unrestricted and restricted funds, and the value of funding research projects amongst delivery of its objects, and has the capacity to use some of its general funds surplus to supplement restricted funds.

Faced with the probability of increasing financial pressures in the current economic climate, the board has reviewed various models of falling income levels over different periods, and considered the sustainability of levels of loss against available actions for potential redress while continuing to adequately meet its primary responsibility to its subscribers. Reporting of changes in the trading position to subscribers would be commensurate with the level and period of any trading shortfall compared to the capacity of the reserves to sustain the operating balance.

Similarly, with its reserves in surplus, the board has reviewed various options for increasing its activities, considering various scales of cost and duration of commitment. With most substantial projects requiring additional staffing, or recruitment of suitably experienced volunteers able to commit to the full period required,

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the reserve funds available restrict the options available, without any project winning additional substantial funding. The board remains vigilant over possibilities for developing any project to fit developing circumstances, which can be achieved effectively and timeously for a reasonable outlay, and which can be expected to have a substantial impact.

The ongoing inclusion of the value of the property leasehold as part of the available funds was reviewed, with the need to consider the future realisable resale value against the increasing potential refurbishment costs, meaning that actual value could vary considerably from accountable value in any future year, so that the valuation would not provide a reliable measure of available funds. It was decided that, unless other factors affected any final decision in the interim, the value of the property should be amortised from the 2016 annual accounts going forward.

The final decision in 2017 is that the period of amortisation should be 20 years starting in 2016. The potential resale value of the leasehold remains as a background assessment for as long as it is held by the company during the 99 years from 2010, but it is gradually removed from the declaration of available funds. This reflects the practical issue that any refurbishment costs for the property will have to be met out of annual turnover and readily available funds, whereas the value of the leasehold can only be realised through sale. Should the company ever have to wind up, the realisable value of the leasehold would become an important asset to set against the costs of meeting members' service expectations and of winding up the company.

In 2016 and continuing in 2017, income has remained in surplus, with both unrestricted and restricted reserves increasing substantially.

Restricted funds

Restricted funds have remained extensively research income and expenditure, with relatively low income from donations supplemented in 2016 by large legacy income, plus return on invested reserves. Restricted expenditure was moderate, leaving a significant surplus.

Regular income to restricted funds from individual donations, and donations resulting from events held by members and supporters, has continued at a relatively low level, and income to these funds continues to depend on large donations and legacies. From 2011, the MEA committed to increasing research funding despite the probability of outstripping its fundraising capabilities considerably. Thanks to legacy income, fluctuating funds have kept ahead of increased expenditure, through 2016/7. Future demand for funds is likely to increase due to the MEA taking on additional responsibilities in the research field. With no significant sources for additional restricted income in sight, the MEA has continued to explore all opportunities to increase regular income.

In 2010, faced with a potential trading deficit in general funds, the MEA changed its policy of meeting all administrative costs for restricted funds from general funds, when necessary. Potentially, expenses for research and development meetings could be charged against restricted funds, or, in extremis, all costs from the administration of restricted funds could be charged against such funds, with reimbursement made to general funds. In 2016, some costs for attendance at research meetings were charged against restricted income.

Since the employment of a part-time worker to support and develop fundraising, the MEA has had occasional success in attracting larger amounts to restricted funds, either from individuals and organisations, or from appealing for donations to fund a specific purpose.

Restricted funds held as custodian

In July 2013, the MEA undertook to allocate a basic fund of £50,000 from within its restricted fund reserves for a period of 2 years, to contribute towards a suitable project to further investigate the applicability of the drug Rituximab as an effective treatment for some ME/CFS patients. It had received an additional donation to be

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held specifically for this purpose, and invited further such donations. The sum held on behalf of others for this purpose, at the end of 2015, was £9,477.

With no such research being taken forward during 2015 and 2016, as progress in this area of research was generally delayed internationally, it was decided to continue the undertaking to hold the funds for the designated purpose. The board's intention was announced in its ME Essential magazine, on the website and on Facebook. No donor came forward to enquire about their donation. Factors affecting progress in international research on this subject are regularly reported to the membership.

Interdependence of activities funded by general and restricted funds

The collection and disbursement of restricted funds is integral to the purposes of the company, and without this part of its objectives, it is uncertain that the company could retain its support at a viable level. Similarly, the ability to administer the restricted funds in conjunction with general company expenditure reduces the potential costs compared to any model for running the restricted funds as a separate concern. However, the current situation has the commitment to future restricted expenditure potentially exceeding the projected income levels, so that, in future, a shortfall could have to be met from restricted reserves, and beyond that potentially from any balance in unrestricted funds or reserves.

Financial Climate

Prior to this continuing economic downturn, the charity sector was already under increasing pressure, with a widening gulf between the availability of funds for specific development projects and those for the general maintenance of existing service provision. In the current economic downturn, all sources of funding have tended to decrease while simultaneously coming under increasing pressure. Government policy is for reduction in support funding generally, while their expectation of service provision by the charity sector to society is increased.

The growing gulf between support for health charities operating in areas of under-recognised illness, and those operating in areas properly recognised by health services, can only continue to increase under prevailing circumstances. This gulf between recognition of need and service delivery for health is duplicated in social support needs, and exacerbated by the conflict between need and resource limits in both public and private insurance sectors. During 2016 and 2017, there have been increasing incidences of failure amongst charitable enterprises which had been delivering support to the disabled and chronically ill.

The company has informed members of the increasing difficulties it faces in continuing to keep operating and providing the existing level of service, and, though often faced with significant increase in demands on their income and resources, those members who are in a position to donate have continued to do so, but the balance of probability suggests that such income may not be sustained at current levels.

While progress is being made towards better recognition of the illness and sufferers' needs, it currently remains unlikely that access to larger or longer-term sources of funding will ensue timeously, or increase exponentially in the near future. Any noticeable increase in income streams that may arrive would be easily outstripped by the cost of providing increased support to meet ongoing need amongst members.

Reserves

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 subscription, 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 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 balance recovers.

The MEA also holds separate funds to finance research into aspects of the cause of and development of

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treatment for 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 MEA recognises that its primary obligations to members relate to general funds, and that forecasting future trading viability is based on meeting these responsibilities out of reserves of general funds. Restricted reserves cannot be used for purposes other than the objective of supporting and publishing research, and 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.

Recently, the MEA benefited from a number of larger legacies, mainly to general funds. While restricted funds had benefited from occasional larger legacies in the past, this was unprecedented income for general funds. With no certainty of further such large income in future, its use to fund growth in activities has been carefully considered for effectiveness and sustainability. While movement in funds appears low in comparison to reserves from 2015 to date, useful opportunities for applying these resources will occur in the near future, and the demand for research funding can be expected to grow faster than restricted income, so bringing forward the issue of spending a proportion of general funds on research.

The MEA's trading and fund-holding position

Reserves are of a level, compared to actual and potential outgoings, where turnover and potential periodic demand limit the period over which any part can safely be invested. The board regularly reviews the options open to it within the parameters advised by the Charity Commission, and where necessary, takes steps to achieve the best return on deposited funds.

Given continuing uncertainty and low returns in the financial markets, the company had sought professional advice on its options. The range of options for the investment of reserves at comparatively low risk required too much capital being committed for too long, even within a safe and diverse fund. Although the amount of reserves has increased substantially since 2014, the lowered level of return on investment has reduced the viability of committing any amount to extended deposit periods.

The board had therefore decided that reserve funds should be held in limited-term deposits up to the maximum value of the Financial Services Compensation Scheme for banking deposits, set in 2015 at £75,000 per deposit with an authorised institution, (being either an independent bank or building society, or one member of a group of companies including one or more such banks or building societies).

During 2016, the MEA held such deposits of general funds with Lloyds, Aldermore Bank, Bank of Scotland, Bank of Cyprus, Cambridge and Counties, Charity Bank, Hampshire Trust Bank and Virgin Money, and of restricted funds with Lloyds, Close Bros, Julian Hodge Bank, Marsden Building Society, Saffron Building Society, Scottish Widows, Shawbrook Bank and United Trust Bank. The unused CAF account was closed and the account with Charity Bank was opened before the end of 2015, and the Hampshire Trust Bank account was opened during 2016. The general funds were transferred out of Scottish Widows, and restricted funds deposited in their place in 2016. During 2016, new terms were agreed for continuing treasury and 1-year deposits.

Having been reducing deposits during 2016 from £85,000 to the lowered compensation limit of £75,000, from January 2017 the limit has been increased back to £85,000, and the MEA has been adjusting amounts retained in deposits accordingly, as opportunity allows.

Investment in fixed asset

In 2010, the company bought the long-term leasehold on the property it had been renting with a proportion of the general funds reserves. In doing so, the company transferred the valuation amount of £175,000 from liquid

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

to fixed assets. The gross cost of the property has since been declared as £177,712. It has been decided to amortise the asset value of the property over 20 years starting in 2016, at a rate of 5% - a deduction of £8,886 per annum from the cost. The amortised property value at 31 December 2016 was £168,826. The carrying value of fixed assets at 31 December 2016 was £172,749.

Free reserves

Free reserves at the end of 2016 were £1,163,749 (2015: £675,752).

FUNDRAISING

Members have been periodically reminded of the basic costs of running the company and of maintaining aspects of its activities, compared to the current balance in income streams. The relative values of different scales of donation have been outlined, and the use of standing orders, the declaration of Gift Aid, and use of other tax allowances have been promoted. Fluctuations in donations have been seen over this period, but with some growth overall and funds from donations gradually increasing. These strategies continue to be tactfully promoted to members.

With a level of resources below that at which many of the fundraising activities pursued by charities are viable, the MEA had negative historical experience of employing professional fundraisers, both directly and as contractors.

Increases in smaller activities undertaken by members and supporters to raise donations had resulted in increased levels of support and administration work, leading to a part-time fundraising assistant being employed. As the amount and effectiveness of support to those raising funds to donate to the MEA has grown, the fundraising assistant's scope has been increased and other avenues for engendering funds have been explored.

The fundraising assistant has contributed to the number of supporters undertaking repeated or larger events, and typically attracting more funds per event. The fundraising assistant has also been central to successes with forms of appeal to raise funds for a specific purpose, and has made contacts with groups and firms willing to hold fundraising events or raise donations at events.

The ways in which fundraisers are supported by advice about the development of their ventures, and about improving outreach to their potential donors, has been developing, with support offered for promoting ventures to media outlets and via social media.

Having again participated in the 2015 The Big Give Christmas Challenge, an annual match-funding event in December, raising funds to support the 2016 'Early and Accurate Diagnosis' campaign, to promote improvement in recognition, diagnosis and treatment of ME/CFS amongst medical practitioners, the value and limits of this platform was re-assessed. Given the strictures on online donating times and the low level of fund-matching achieved, it was judged that a direct crowd-funding appeal should be more successful for a suitable project, in place of The Big Give.

With momentum developing in the research team at Oxford, and several useful avenues of progressing further research being proposed, it was decided to crowd-fund from late autumn 2016 to raise money for a sizable research project in 2017. This funding appeal was more successful during November and December 2016 than any previous appeal, and continued to bring in sizable donations into Spring 2017.

Exploration of potential opportunities to apply for larger appeals through media platforms, and to apply to large funding bodies, have shown that the level of reporting required of applicants to meet such bodies' standards for funding applications tends to be very high for the risk of being unsuccessful in any application.

The fundraising assistant continues to investigate ways in which the MEA can engage with potential supporters

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

and funders within the scope of its resources.

During 2016, the MEA continued to participate in The Weather Lottery, operated by Prize Provision Services Ltd, Prize Provision Services Ltd, Suite 3, 20 Market Hill, Buckingham, MK18 1JX. The MEA holds a license for this from East Dunbartonshire District Council.

RISK MANAGEMENT

The ME Association began 2016 with its forecast financial viability again increasing above the accrued 12-month liability to provide services to subscribers, plus other future trading liabilities. The underlying balance remained in profit throughout the year and was supplemented by legacies to show another substantial growth in reserves at year end. With the underlying financial balance improving yet remaining marginal compared to potential costs from increasing services, circumstances were examined to differentiate those practices which could be improved, from fluctuations which could only be anticipated or which were out-with the company's control. Increase in donations during 2016 indicates an underlying level of reliable funding which should support increased future expenditure, within controlled margins. Potential options for investment of reserves were reviewed for increased return compared to future access to funds.

As 2016 progressed, there were few signs of recovery from the economic downturn, with interest rates remaining low while costs continued to grow comparatively. Estimates of future performance based on differing variations in governing factors continued to be potentially more volatile as a result, but the continued higher level of donations, particularly from events held by members and supporters, has outweighed any potential increase in risk.

The directors continued to review all risks to which the charity was exposed, and to make efforts to improve systems established to mitigate those risks. Contingency plans for the temporary or permanent replacement of key personnel continue to be developed where feasible.

TRADING

The various trading activities of the MEA have necessarily been carried out by mail order, plus online sales from our webpage where suitable, and include sale of printed information, cards, promotional items, and a food supplement. Changes to the trading parameters have been regularly monitored, with adjustments and updates undertaken as necessary, including use of suitable payment platforms for online sales.

TAXATION

The company regularly considers the advice given by Her Majesty's Revenue and Customs (HMRC) regarding the financial activities it undertakes as a charitable company, and seeks clarification from them on specific issues where there is any room for doubt. For the period under consideration, the company's liability for corporation tax has been zero and it has had no liability for capital gains tax.

Subscribers to the company are deemed to receive a benefit in return for their annual subscription, raising a qualification for the company being required to calculate and charge Value Added Tax, whereas other activities of the company are deemed to be charitable and so exempt from VAT. HMRC had determined the company to be partially exempt from VAT on its transactions, and had agreed with the company the rate at which to calculate VAT to account for such partial exemption. VAT has regularly been paid at standard rates and reclaims submitted on the agreed basis. This situation is regularly checked with HMRC.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The organisation is a charitable company, incorporated on 16 March 1989 as company limited by guarantee

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

number 2361986, and registered as a charity number 801279 on 5 April 1989.

Governing Document

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association as amended by special resolutions dated 15 June 1991, 14 July 2001, 3 September 2005, 22 May 2007 and 18 November 2014.

Dormant company

The Myalgic Encephalopathy Society is a company limited by guarantee incorporated on 7 May 2009 and registered as Company No. 06898702. The serving chairman of the ME Association is the sole director/proprietor of the ME Society. The ME Society is a dormant company with the sole purpose of protecting the identity and trading integrity of the ME Association. The name ME Society has been listed as a working name for the ME Association with the Charities Commission and is recognised by the ME Association's bankers. A separate return for the dormant company is filed with Companies House. With no financial or other legal activity undertaken, no financial reporting in the ME Association's Consolidated Statement of Accounts is required.

Membership

The ME Association is a charitable company limited by guarantee, whose members subscribe annually. Voting rights of members 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. The total number of such guarantees at 31 December 2016 was 4241.

Annual General Meeting

The company held its Annual General Meeting on 5 December 2016, at Apollo Office Court, Gawcott, adjacent to the registered premises. The company will hold its Annual General Meeting (AGM) for the financial year 2016 on 18 December 2017 at the same location.

Statutory Returns

The ME Association's annual return for 2016 was submitted to Companies House on 16 March 2016 and the confirmation statement (in place of the annual return) for 2017 has been submitted on 16 March 2017. The ME Association's annual report and financial statement for 2015 was submitted to Companies House and the Charity Commission in September 2016, though registration was not completed until October.

The annual return and accounts for the ME Society for 2016 were submitted to Companies House in May 2016. The confirmation statement for 2017 was submitted in May 2017.

Future status

The board monitors the viability of the current subscription company status against other potential structural models for achieving its purposes on behalf of its subscribers and the wider patient constituency. Plans for adjustment in anticipation of proposed changes to governing legislation are being developed in principle, and the probable suitability of the proposed revisions affecting the current structure are the subject of continuing review. Potential changes to income which could affect the suitability of the company structure are regularly considered.

Board of Directors (Trustees)

The Board of Directors (Trustees) is active in the management of the company, operating in coordination with

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

the Operations Manager, (who has concurrently served as Company Secretary). or, where circumstances allow, other employees, contractors and volunteers.

As a regular part of its operations, the directors and operations manager review each other's activities to ensure that best practice is being adopted, and all risks assessed and properly managed.

Advisors to the board

The board may appoint appropriate persons to confidential roles as advisors with suitable experience to enhance the board's capacities. The board may also invite appropriate candidates to take on the role of regular advisor as a prolonged form of induction before being accepted as trustees, participating in board activities as agreed, but without a vote in board decisions. Advisors either have a professional responsibility of confidentiality, or else sign a confidentiality agreement.

Staff

The board, in conjunction with the operations manager or other staff, contractors or advisors, where necessary, continues to monitor its make-up and operation in the effective management of the company, and to review and adopt options for attracting and recruiting potential trustees, and volunteers for specific tasks and projects, with suitable skills and understanding to augment the board and participate efficiently in the management of the company.

The company has employed an Operations Manager, who has concurrently served as Company Secretary. The Operations Manager has worked at the registered office during 2016.

The company has also employed a part-time administration assistant, who worked at the registered office during 2016.

The company has also employed a part-time manager for the telephone helpline service (and the volunteers who help to operate it), who has worked from home.

Since September 2010, the company has additionally employed a part-time fundraising support assistant, who has worked from home.

From December 2015, the company employed a part-time support worker to monitor and curate research, working from home. Due to a change in circumstances, this employee resigned in November 2016.

In February 2016, the company employed full-time the former contractor serving the roles of editor and press officer, who continued to work from home. Due to a change in circumstances, this employee resigned in May 2017.

Contract staff

The MEA began 2016 engaging with 2 regular and 1 occasional contract staff. One regular contractor joined the staff, then a second occasional contractor was engaged during the year.

The company had contracted with one person as editor and press officer. It has also contracted with a bookkeeping manager who has prepared the financial journals regularly submitted to the company's accounts examiners. A part-time contractor was engaged in supporting online communications plus news and research reporting during 2016. It has also contracted with a support press officer for reporting and promoting specific projects during 2016.

During 2016, the MEA engaged with 3 professionals to develop projects, to write material for challenging past evaluation of evidence for NHS practice in diagnosing and treating ME/CFS, and for developing nutritional

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TRUSTEES' REPORT (continued)
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advice suitable for patients.

Pensions

In 2016, the MEA advised employees and contractors of the impending Automatic Enrolment Regulations programme, providing statutory information and advising how to investigate and consider how to ensure that they were making adequate provisions for their current and future pension funds, in advance of the scheduled automatic enrolment period in April/May 2017.

Volunteers

The telephone helpline service has been manned by up to 40 volunteers working from home. At its registered office, the company has used the services of volunteers for bookkeeping clerical work and fulfilling trading transactions.

The telephone helpline service volunteers elect to be available to receive telephone enquiries routed to their home phones at agreed hours. They are fully trained to commence their volunteering, and regularly assessed and retrained as suitable. A few experienced volunteers further assist with the management of the helpline service.

At its registered office, the company regularly benefits from the support of 2 volunteers.

Regular bookkeeping and financial transactions are carried out by a volunteer in conjunction with the office staff, and recorded for compilation of the accounts by the bookkeeping manager.

The MEA shop is operated by a volunteer in conjunction with the ME Association staff.

Volunteers working in the registered office have been recruited locally, and their abilities matched with opportunities in the regular workload. Their work and needs are overseen by the operations manager, with input from other staff and contractors as suitable.

The company has engaged with individual volunteers who have expressed interest in areas of its activities and who have offered skills and motivation suitable for involvement in specific projects, or suitable for professional scrutiny of and advice on aspects of the company's operations.

In 2016, occasional volunteers were asked to review and comment on draft information leaflets and other copy. Also, various medical and research practitioners were asked to volunteer their expertise in relation to research proposals, treatment approaches and care provision.

The ME Association recognises the increased constraints faced across the UK population, reducing the ability of many to commit to or sustain existing levels of volunteering. While it recognises the thrust of national policy to seek formal recognition of and specific funding support for voluntary work, it finds its activities do not easily meet the usual criteria where such recognition and funding can be achievable.

Committees

The Charity forms and uses sub-committees, panels and working groups, as required to pursue its aims and responsibilities, ensuring continuity of personnel. The charity has the following subcommittees, panels and working groups:

- Editorial panel : Charles Shepherd, Rick Osman and the contracted editor

Other groupings or committees are organised when required, with a suitable range of trustee, staff and volunteer participation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Training

All personnel active in the companies' pursuits are considered for suitable training and offered the opportunity to propose any such form of training for approval by the board. Regular training is a requirement for participants in the telephone helpline. Where suitable training is not available to meet the needs of members and those suffering from the illness ME (myalgic encephalopathy) / CFS (chronic fatigue syndrome), the board and staff members develop suitable guidance from the best available sources, and monitor the implementation of that guidance.

Services contracts

The company has out-sourced professional services as listed:

- Bland Baker – payroll services
- Standard Life – pensions
- Apollo3 Management – building & site management services
- Highwire Design Ltd – website support
- Constellation ix – IT support

The board and operations manager regularly review the suitability and value of these arrangements.

Premises

During 2016, the company occupied the premises at its registered address as its sole premises. The company owns the leasehold on the premises.

POLICY FOR THE RECRUITMENT OF TRUSTEES

Any member is free to stand for election as a trustee at the next general meeting of the company. The company secretary must receive a written notice of nomination for any such candidate at least six weeks prior to the AGM. A notice of election together with an invitation of nominations must be received by members at least 8 weeks before any such election. Election papers then have to be sent out to members, received back completed, and independently counted, prior to the AGM.

In line with guidance from the Charity Commission for England and Wales, and suitably in advance of all periods for informing members of any consequent election, the board invites notifications of interest from those willing to volunteer as trustees. Applicants are supplied with the company's code of practice for trustees, and the Charity Commissions guidance for trustees' responsibilities and conduct, are advised to read guidance on their potential responsibilities as company directors, and are advised of the level of involvement that trustees undertake in the management of the company and its activities, and of the skills that the board would benefit from.

Potentially suitable candidates are invited for interview by the Board, with the Operations Manager and other staff if appropriate. Any candidate who is willing, and who the Board wish to support for election, can then be co-opted on to the Board as a trustee, or invited to work under the general supervision of a current trustee, until such time as they may be successfully elected at the next annual general meeting, or they may simply proceed as a candidate standing for election. Where such a candidate's circumstances impinge on their ability to proceed to co-option or election within a given year, the trustees reserve the right to continue their status into any proceeding year, as is appropriate.

The Board reserves the right to advise members whether they do or do not support any candidate's election to the board.

Following co-option or election, any new trustee is required to sign a confidentiality agreement, and all other

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

forms required by the Charity Commission and Companies House to record their suitability for the position of trustee. When induction of any candidate for trusteeship requires their being able to study the workload of trustees more fully, the board reserves the right to require candidates to enter into a confidentiality agreement prior to co-option or election.

As the charity is a small organisation, there are no formal training sessions for trustees, but each is coached and monitored as to their performance, and informed of the availability of further potential training if required.

Members of the Board, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1. Membership of the board has remained unchanged since 2013.

The MEA has regularly sought new potential trustees, both by calling for candidates to volunteer from amongst the membership, and by examining and utilising various opportunities for attracting candidates from outside the patient community.

Any advisers or project volunteers admitted to management meetings of the Board are required to undertake confidentiality agreements.

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Members of the Board, who are directors for the purpose of company law and trustees for the purpose of

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

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The MEA has regularly sought new potential trustees, both by calling for candidates to volunteer from amongst the membership, and by examining and utilising various opportunities for attracting candidates from outside the patient community.

Any advisers or project volunteers admitted to management meetings of the Board are required to undertake confidentiality agreements.

PLANS FOR FUTURE PERIODS

The company operates in an area of medicine which has long remained both poorly developed and controversial. A significant part of its activities are concerned with aspects of informing medical practitioners and service providers, and trying to influence the provision of suitable services for the treatment and support of sufferers, their families and carers.

Involvement in consultations with various service providers and policy makers regarding development of guidance for various professionals and public and private agencies delivering services, continued to be a significant part of the company's activities during 2016, and we anticipate that this will remain an important area of involvement for the foreseeable future. The schedules of individual consultations and similar opportunities for engaging with potential service development are rarely forecast-able and resources have to be targeted between concurrent demands as effectively as possible. We recognise that our involvement in such initiatives, (and in other, less urgent consultations and development opportunities where ME sufferers' interests could be usefully represented), would benefit from greater resourcing, and to that end, we look to involve more volunteers with suitable aptitudes for such participation.

Similarly, we recognise the importance of trying to develop our limited opportunities to encourage medical practitioners to improve their skills in dealing with this illness, and we regularly review possibilities for developing contacts with individual practitioners and practice groups. Recruiting suitable volunteers who could initiate and service such contacts is another key aim.

Developments in techniques leading to positive research findings continue to become more available, and as a result, significant improvements in understanding the disease processes involved in causing and perpetuating ME, CFS and PVFS become potentially closer. However, full understanding of the disease processes involved will probably remain accessible only from brain and spinal tissues which are only safely accessible post-mortem, and the project to develop and sustain a Biobank for the collection and storage of study samples & materials and the future development of collaboration with an existing 'brain-bank' facility remains central to successful treatment development.

While recent impetus in the USA and Australia suggests that progress of research is accelerating, and despite some increase in UK research funding, it remains unclear when new, clinically-useful treatment development will become available, and it is unknown how much of the ME patient population would be able to benefit from any such new treatment. The burden of finding the resources to push forward the development of treatment continues to remain with the patient body, and the continuing financial situation places more importance on the efforts of those who can donate or fundraise.

With major cuts in public funding for all sectors already occurring or imminent, more of our members face cuts in their finances and in support services they have relied on, and there will be fewer agencies available to offer assistance in dealing with problems faced. There will be more need for our support and campaigning activities resulting from this, so more need for those members who are less affected to help fund our resources, and more need for volunteer involvement in developing any additional services which we might hope to deliver.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTANTS

Larking Gowen had been reappointed as accountants at the Annual General Meeting on 16 February 2016. A resolution for the reappointment of Larking Gowen was proposed and accepted at the Annual General Meeting held on 5 December 2016. The board intends to propose the reappointment of Larking Gowen at the next Annual General Meeting due to take place on 18 December 2017.

STATEMENT OF TRUSTEES RESPONSIBILITIES

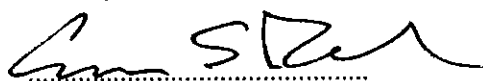
The Trustees (who are also directors of The Myalgic Encephalopathy Association Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted 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 period. 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 2015 (FRS 102);
- make judgments and accounting 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;
- 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 are sufficient to show and explain the charitable company's transactions and 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.

This report was approved by the Trustees on 27 September 2017 and signed on their behalf by:



E Dale
Trustee

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
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**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Independent examiner's report to the Trustees of The Myalgic Encephalopathy Association Limited

I report on the financial statements of the company for the Year ended 31 December 2016 which are set out on pages 23 to 37.

This report is made solely to the company's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the company's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's Trustees as a body, for my work or for this report.

Respective responsibilities of Trustees and examiner

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this Year under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The company's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of

Having satisfied myself that the company is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the company and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

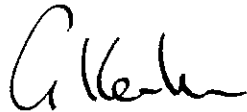
- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or

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INDEPENDENT EXAMINER'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Signed:



Dated:

27 September 2017

Giles Kerkham FCA DChA

Larking Gowen

Chartered Accountants

Ipswich

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	671,387	63,202	734,589	635,416
Charitable activities	3	23,438	-	23,438	17,582
Investments	4	7,783	5,619	13,402	10,016
Total income		702,608	68,821	771,429	663,014
Expenditure on:					
Raising funds		69,970	-	69,970	82,050
Charitable activities		151,950	44,002	195,952	157,332
Total expenditure	6	221,920	44,002	265,922	239,382
Net income before other recognised gains and losses		480,688	24,819	505,507	423,632
Net movement in funds		480,688	24,819	505,507	423,632
Reconciliation of funds:					
Total funds brought forward		855,810	399,748	1,255,558	831,926
Total funds carried forward		1,336,498	424,567	1,761,065	1,255,558

All activities relate to continuing operations.

The notes on pages 26 to 37 form part of these financial statements.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 02361986

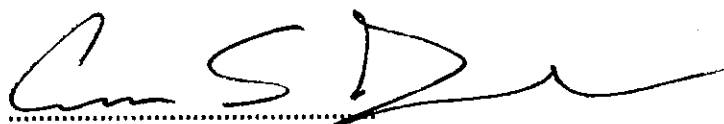
**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	£	2016 £	2015 £
Fixed assets				
Tangible assets	10		172,749	180,058
Current assets				
Stocks	11	5,385	5,190	
Debtors	12	274,230	142,887	
Term deposits	13	520,232	475,666	
Cash at bank and in hand		843,711	506,751	
		<u>1,643,558</u>	<u>1,130,494</u>	
Creditors: amounts falling due within one year	14	<u>(55,242)</u>	<u>(54,994)</u>	
Net current assets			<u>1,588,316</u>	<u>1,075,500</u>
Net assets			<u>1,761,065</u>	<u>1,255,558</u>
Charity Funds				
Restricted funds	16	424,567		399,748
Unrestricted funds	16	1,336,498		855,810
Total funds			<u>1,761,065</u>	<u>1,255,558</u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the Year In question in accordance with section 476 of the Act.

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

The financial statements were approved by the Trustees on **27 September 2017** and signed on their behalf, by:



Mr E Dale
Director

The notes on pages 26 to 37 form part of these financial statements.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>384,755</u>	<u>275,100</u>
Cash flows from Investing activities:			
Purchase of tangible fixed assets		(3,229)	(244)
Movement in term deposits		<u>(44,566)</u>	<u>(45,144)</u>
Net cash used in Investing activities		<u>(47,795)</u>	<u>(45,388)</u>
Change in cash and cash equivalents in the Year		336,960	229,712
Cash and cash equivalents brought forward		<u>506,751</u>	<u>277,039</u>
Cash and cash equivalents carried forward	19	<u><u>843,711</u></u>	<u><u>506,751</u></u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

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.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 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.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.5 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that 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 of 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 or 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 the 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 receivable and to the extent the goods have been provided or on completion of the service.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

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 are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Over 20 years
Fixtures and fittings	-	Over 4 years
Office equipment	-	Over 4 years

1.8 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.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 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.

1.11 Cash at Bank and in hand

Cash at bank and 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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)

1.12 Financial Instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

1.13 Taxation

The charity's income and gains fall within the exemptions offered by the Corporation Tax Act 2010 Part 2 of chapter 3. Accordingly there is no corporation tax charge in these accounts.

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the Year.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Income from donations and legacies

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	215,972	12,174	228,146	207,306
Legacies	382,054	51,028	433,082	355,690
Subscriptions	73,361	-	73,361	72,420
Total donations and legacies	671,387	63,202	734,589	635,416
<i>Total 2015</i>	<i>511,222</i>	<i>124,194</i>	<i>635,416</i>	

3. Income from charitable activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Other incoming resources	1,877	-	1,877	2,272
Trading	21,561	-	21,561	15,310
	23,438	-	23,438	17,582

In 2015 all income from charitable activities was unrestricted.

4. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	7,783	5,619	13,402	10,016
	7,783	5,619	13,402	10,016

In 2015, of the total investment income, £5,497 was to unrestricted funds and £4,519 was to restricted funds.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. Grants Payable

	2016 £	2015 £
Research - Bio bank	30,333	7,228
Research - Oxford university	13,669	-
Science conference	300	-
Northumbria University	-	310
Newcastle University	-	21,305
Others	-	1,301
Total	<u>44,302</u>	<u>30,144</u>

6. Analysis of Expenditure

	Fundraising expenses £	Governance £	Activities £	2016 £	2015 £
Support costs	53,263	7,218	140,374	200,855	152,671
Grants payable	-	-	44,302	44,302	30,144
Trading purchases	11,748	-	-	11,748	10,477
Other costs	4,959	4,058	-	9,017	46,090
Total	<u>69,970</u>	<u>11,276</u>	<u>184,676</u>	<u>265,922</u>	<u>239,382</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Support costs

	Fundraising expenses £	Governance £	Activities £	Total 2016 £	Total 2015 £
Travel and subsistence	2,190	-	2,676	4,866	5,310
Postage, telephone and stationery	8,327	1,850	19,234	29,411	25,917
Subscriptions	-	-	3,078	3,078	1,078
Meeting costs	690	-	843	1,533	1,635
Printing	525	-	10,813	11,338	10,607
Sundry	528	-	645	1,173	1,377
Office expenses	2,145	238	2,383	4,766	4,501
Bank charges	1,635	-	1,999	3,634	3,444
Medical consultant's fees	-	-	1,141	1,141	1,388
Equipment hire	1,248	-	1,526	2,774	3,052
Repairs and maintenance	174	-	213	387	209
Cleaning	443	-	541	984	972
IT Consultant	-	-	1,170	1,170	4,690
Training	-	-	-	-	143
Irrecoverable VAT	1,026	228	1,027	2,281	1,489
Wages and salaries	27,486	4,064	81,571	113,121	78,517
National insurance	1,501	222	4,455	6,178	4,333
Pension cost	603	89	1,791	2,483	2,735
Depreciation	4,742	527	5,268	10,537	1,274
	53,263	7,218	140,374	200,855	152,671

8. Net Incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	10,538	1,274
Independent examination remuneration	3,650	3,650
Pension costs	2,483	2,735

During the Year, no Trustees received any remuneration (2015 - £NIL).

During the Year, no Trustees received any benefits in kind (2015 - £NIL).

4 Trustees received reimbursement of expenses amounting to £5,614 in the current Year, (2015 - 5 Trustees - £4,931).

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	113,121	78,517
Social security costs	6,178	4,333
Other pension costs	2,483	2,735
	<u>121,782</u>	<u>85,585</u>

The average number of persons employed by the company during the Year was as follows:

	2016 No.	2015 No.
Average employees	6	5

No employee received remuneration amounting to more than £60,000 in either year.

10. Tangible fixed assets

	Freehold Property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2016	177,712	2,685	29,895	210,292
Additions	-	-	3,229	3,229
At 31 December 2016	<u>177,712</u>	<u>2,685</u>	<u>33,124</u>	<u>213,521</u>
Depreciation				
At 1 January 2016	-	2,634	27,600	30,234
Charge for the Year	8,886	41	1,611	10,538
At 31 December 2016	<u>8,886</u>	<u>2,675</u>	<u>29,211</u>	<u>40,772</u>
Net book value				
At 31 December 2016	<u>168,826</u>	<u>10</u>	<u>3,913</u>	<u>172,749</u>
At 31 December 2015	<u>177,712</u>	<u>51</u>	<u>2,295</u>	<u>180,058</u>

11. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>5,385</u>	<u>5,190</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Debtors

	2016 £	2015 £
Trade debtors	832	486
Other debtors	22,935	140,604
Prepayments and accrued income	2,843	1,797
Legacies	247,620	-
	<u>274,230</u>	<u>142,887</u>

13. Current asset investments

	2016 £	2015 £
Unlisted investments	<u>520,232</u>	<u>475,666</u>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	4,634	4,956
Other taxation and social security	2,441	1,845
Other creditors	39,876	41,643
Accruals and deferred income	8,291	6,550
	<u>55,242</u>	<u>54,994</u>

15. Financial Instruments

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	1,363,943	982,417
Financial assets measured at amortised cost	23,767	141,090
	<u>1,387,710</u>	<u>1,123,507</u>
Financial liabilities measured at amortised cost	<u>50,760</u>	<u>53,149</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents as well as term deposits

Financial assets measured at amortised cost comprise debtors, excluding stock, prepayments and accrued income

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Financial liabilities measured at amortised cost comprise creditors and accruals, excluding taxation and social security

16. Statement of funds

	Brought Forward £	Income £	Expenditur e £	Carried Forward £
Unrestricted funds				
Other General funds	855,810	702,608	(221,920)	1,336,498
Restricted funds				
Other Restricted funds	399,748	68,821	(44,002)	424,567
Total of funds	1,255,558	771,429	(265,922)	1,761,065

Summary of funds

	Brought Forward £	Income £	Expenditur e £	Carried Forward £
General funds	855,810	702,608	(221,920)	1,336,498
Restricted funds	399,748	68,821	(44,002)	424,567
	1,255,558	771,429	(265,922)	1,761,065

Rituximab - This fund represents donations received for research into understanding the efficiency of Rituximab into relieving the symptoms of some ME/CFS patients.

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.

17. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	172,750	-	172,750	180,058
Current assets	1,218,990	424,567	1,643,557	1,130,494
Creditors due within one year	(55,242)	-	(55,242)	(54,994)
	1,336,498	424,567	1,761,065	1,255,558

THE MYALGIC ENCEPHALOPATHY ASSOCIATION LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	505,507	423,632
Adjustment for:		
Depreciation charges	10,538	1,274
Increase in stocks	(195)	1,012
Increase in debtors	(131,343)	(128,408)
Increase in creditors	248	(22,410)
Net cash provided by operating activities	<u>384,755</u>	<u>275,100</u>

19. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	843,711	506,751
Total	<u>843,711</u>	<u>506,751</u>