

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

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE MYALGIC ENCEPHALOPATHY ASSOCIATION

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Charitable objects

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

What we do and why we do it

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

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

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

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

Lobbying for positive change

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

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

The Ramsay Research Fund

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

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

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

Support when it's needed

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

OBJECTIVES AND ACTIVITIES - continued

Objectives and aims

Support when it's needed

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

Website and Social Media

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

We have significant followings on Facebook, Twitter and Instagram .

Public benefit

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

STRATEGIC REPORT

Achievement and performance

Charitable activities

The last year has been difficult for all of us and charities are no exception. There's been a huge impact on our fundraising events. Many were cancelled or heavily revised to fit with Covid 19 restrictions. At the same time, the demand for information has grown hugely as patients with ME/CFS have come to us with their queries. Our support service, ME Connect, has seen telephone calls to our volunteers rocket upwards. It has been a salutary reminder of the important role that charities such as ours perform for society.

Through the past year we've provided support, reliable information and been a campaigning voice. We lobbied Government for change. Trustees have attended and reported on the important external conferences and meetings that took place. We are active members of Forward ME which is an influential advocacy group comprising charity and political representatives and is led by Andrew Morris. There, we hear from and question a range of professionals from the health, social care and research fields as well as ministers, politicians and civil servants from Government departments that have an effect on ME/CFS policy. We also contributed to the CFS/ME Research Collaborative (CMRC) which is made up of scientists, clinicians and advocates.

Our charity helped Carol Monaghan MP to reconstitute the All Party Parliamentary Group on ME at Westminster and now acts as Secretariat to the group. During the year the APPG has held a series of meetings where experts have been invited to talk about issues of major concern. This information is now being inserted into a parliamentary report on ME/CFS that will be published in 2021.

We continued our work as a 'listening voice' by answering cries for help and providing information, through phone calls at head office, emails or messages via social media or ME Connect - our telephone helpline. We have over 5,000 members who receive ME Essential magazine and over the last few months that figure has grown rapidly with new members joining us.

During the past year the ME Association has been heavily involved with review of the National Institute for Health and Care Excellence (NICE) Guideline for ME/CFS. Many hundreds of hours of our charity work have been spent on this. Our medical advisor, Dr Charles Shepherd, is an expert adviser to the NICE guideline committee and has attended regular meetings in London for this. When Covid intervened, meetings continued by Conferencing Video.

We continued with our involvement in the sphere of benefits and attending meetings, when necessary, on line with the Department of Work and Pensions and Maximus, a company that is involved in benefit assessments.

Each quarter we published ME Essential, a substantial and high quality Magazine, which keeps our members fully informed of developments involving the illness. We also publish over eighty leaflets to help those with the illness cope with life. These were added to and during the year several were updated.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT - continued

Achievement and performance

Charitable activities

The charity, mainly through the MEA Ramsay Research Fund, has been involved in funding several research studies in addition to the continued funding of the ME/CFS Biobank at the Royal Free Hospital in London. All the £50,000 basic running costs of the Biobank were provided by the Ramsay fund. We have research projects agreed (with some already completed) with a number of organisations and individuals: -

-At Leicester University which involves the investigation of oxygen consumption (VO2), Heart Rate, Blood Pressure, lactic acid levels and activity levels of people with ME during normal daily activities. **RRF Investment = £30,000**

-At the University of Manchester, a study revolved around a national patient survey to determine the factors affecting diagnosis and highlighted any issues that may relate to delays in the diagnostic process. **General Funds = £25,000**

-Scientists from the Universities of Oxford and Newcastle have been analysing nearly 300 blood samples from the UK ME/CFS Biobank to look for small molecular clues known as metabolites. These are left behind after chemical reactions have taken place at a cellular level.

It is hoped that this research will identify patterns of metabolites that could help to form either a diagnostic test for ME/CFS or help to sub-group people that come under the ME/CFS umbrella.

RRF investment = £100,000

Financial review

Financial position

In 2020, the ME association saw total funds increase by £616,683 compared with the previous year. This was largely due to an increase in legacies received in the year of £732,793 (2019: £192,824).

Unless any donation, legacy or fundraising income is expressly restricted to the purpose of funding research activities, all income is allocated to general funds. General funds can be and have been applied to fund research in addition to restricted funds.

Annual membership subscriptions make up a small but significant contribution towards the operating costs of the charity. The membership cost is subsidised with the difference being made up through donations.

Donation and Subscription income also increased marginally compared with 2019.

Reserves policy

Reserves

Total funds stood at £2,336,939 at 31 December 2020.

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

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

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

STRATEGIC REPORT

Achievement and performance

Reserves policy

Free Reserves

Free reserves at the end of 2020 were £2,055,756 (2019: £1,460,326). Free reserves are calculated as unrestricted reserves less the net book value of fixed assets.

Unrestricted funds

Unrestricted funds increased by £585,591 in 2020, partly due to sizeable legacy income received in the year.

The charity saw a marginal increase in unrestricted costs in 2020. Some of these costs were a result of producing new leaflets relating to the changing Covid 19 situation, and the effect on our members.

Unrestricted funds at 31 December 2020 amounted to £2,192,872 (2019: £1,607,281).

Restricted funds

Restricted funds relate to our research programme named the Ramsay Research fund. Restricted donations and legacies received remained low at 5% of total income in 2020 (2019: 14%).

Restricted funds increased by £31,092 in 2020. Restricted donations declined in the year, this was offset by lower research costs.

Restricted funds at 31 December 2020 amounted to £144,067 (2019: £112,975).

Principal risks and uncertainties

Covid-19 - Impact on the charity

There has been minimal financial impact on the Charity despite the challenges faced by Covid.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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

Charity constitution

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

Membership

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

Recruitment and appointment of new trustees

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

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

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02361986 (England and Wales)

Registered Charity number

801279

Registered office

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

Trustees

Miss M Ainsworth-Wells
Mrs N Anson
Mr E S Dale
Mr R W Osman
Mr N H Riley
Dr C B Shepherd
Mrs C N Strong (resigned 25.1.21)

Auditors

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The Myalgic Encephalopathy Association for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

In so far as the trustees are aware:

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

AUDITORS

The auditors, Astral Accountancy Services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 20 September 2021 and signed on the board's behalf by:

Mr N H Riley - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE MYALGIC ENCEPHALOPATHY ASSOCIATION

Opinion

We have audited the financial statements of The Myalgic Encephalopathy Association (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE MYALGIC ENCEPHALOPATHY ASSOCIATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

Tracy Norris (Senior Statutory Auditor)
for and on behalf of Astral Accountancy Services Limited
2B Marston House
Cromwell Business Park
Chipping Norton
Oxfordshire
OX7 5SR

Date: 27 September 2021

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	1,017,282	53,770	1,071,052	513,588
Other trading activities	3	31,211	-	31,211	26,620
Investment income	4	5,511	1,999	7,510	15,503
Total		1,054,004	55,769	1,109,773	555,711
EXPENDITURE ON					
Charitable activities	5				
Information and support		361,791	131,299	493,090	499,965
NET INCOME/(EXPENDITURE)		692,213	(75,530)	616,683	55,746
Transfers between funds	18	(106,622)	106,622	-	-
Net movement in funds		585,591	31,092	616,683	55,746
RECONCILIATION OF FUNDS					
Total funds brought forward		1,607,281	112,975	1,720,256	1,664,510
TOTAL FUNDS CARRIED FORWARD		<u>2,192,872</u>	<u>144,067</u>	<u>2,336,939</u>	<u>1,720,256</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	13	137,116	-	137,116	146,955
CURRENT ASSETS					
Stocks	14	9,018	-	9,018	7,244
Debtors	15	716,869	-	716,869	160,074
Investments	16	436,269	65,792	502,061	601,359
Cash at bank		943,733	78,275	1,022,008	880,727
		2,105,889	144,067	2,249,956	1,649,404
CREDITORS					
Amounts falling due within one year	17	(50,133)	-	(50,133)	(76,103)
NET CURRENT ASSETS		2,055,756	144,067	2,199,823	1,573,301
TOTAL ASSETS LESS CURRENT LIABILITIES		2,192,872	144,067	2,336,939	1,720,256
NET ASSETS		2,192,872	144,067	2,336,939	1,720,256
FUNDS	18				
Unrestricted funds				2,192,872	1,607,281
Restricted funds				144,067	112,975
TOTAL FUNDS				2,336,939	1,720,256

The financial statements were approved by the Board of Trustees and authorised for issue on 20 September 2021 and were signed on its behalf by:

Mr N H Riley - Trustee

Mrs N Anson - Trustee

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	38,814	(30,247)
Interest paid		(3,185)	(3,883)
Net cash provided by/(used in) operating activities		<u>35,629</u>	<u>(34,130)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,156)	(3,688)
(Increase) / Decrease in Term Deposits		99,298	76,078
Interest received		7,510	15,503
Net cash provided by investing activities		<u>105,652</u>	<u>87,893</u>
Change in cash and cash equivalents in the reporting period		141,281	53,763
Cash and cash equivalents at the beginning of the reporting period		<u>880,727</u>	<u>826,964</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,022,008</u></u>	<u><u>880,727</u></u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	616,683	55,746
Adjustments for:		
Depreciation charges	10,631	10,741
Loss on disposal of fixed assets	364	145
Interest received	(7,510)	(15,503)
Interest paid	3,185	3,883
Increase in stocks	(1,774)	(1,552)
Increase in debtors	(556,795)	(84,828)
(Decrease)/increase in creditors	(25,970)	1,121
Net cash provided by/(used in) operations	<u>38,814</u>	<u>(30,247)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	<u>880,727</u>	<u>141,281</u>	<u>1,022,008</u>
	<u>880,727</u>	<u>141,281</u>	<u>1,022,008</u>
Liquid resources			
Deposits included in cash	-	-	-
Current asset investments	<u>601,359</u>	<u>(99,298)</u>	<u>502,061</u>
	<u>601,359</u>	<u>(99,298)</u>	<u>502,061</u>
Total	<u><u>1,482,086</u></u>	<u><u>41,983</u></u>	<u><u>1,524,069</u></u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Income

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

For legacies, entitlement is taken as the earlier of the date on which either; the company is aware that the probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified to the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

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

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Resources are expended in the furtherance of the charity's objectives.

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

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

1. ACCOUNTING POLICIES - continued

Expenditure

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

Tangible fixed assets

All assets costing more than £100 are capitalised.

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

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

Stocks

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

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

Taxation

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

Fund accounting

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

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

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

Operating leases

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

Pension costs and other post-retirement benefits

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

Company status

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

Interest receivable

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

Debtors

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

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

1. ACCOUNTING POLICIES - continued

Cash at Bank in hand

Company status

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

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

Liabilities and provisions

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

Financial instruments

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

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	258,805	243,099
Legacies	732,793	192,824
Subscriptions	79,454	77,665
	<u>1,071,052</u>	<u>513,588</u>

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Other incoming resources	8,244	3,319
Trading	22,967	23,301
	<u>31,211</u>	<u>26,620</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Investment income	7,510	15,503

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Grant funding of activities (see note 7) £	Support costs (see note 8) £	Totals £
Information and support	<u>338,422</u>	<u>150,337</u>	<u>4,331</u>	<u>493,090</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020 £	2019 £
Staff costs	192,228	180,164
Equipment hire	2,039	1,545
Purchases	13,977	14,220
Postage, telephone and stationery	30,186	29,290
Sundries	2,193	1,636
Travel and subsistence	2,773	7,426
Meeting costs	44	1,309
Printing	30,477	24,014
Office expenses	5,958	5,426
Repairs and maintenance	389	3,942
Cleaning	1,142	989
IT Consultant	6,986	3,720
Irrecoverable VAT	1,732	3,461
Subscriptions	1,857	3,501
Training	-	123
Magazine contractors	23,539	17,167
Medical literature	210	1,245
Other costs	2,690	3,463
Website Costs	5,821	3,045
Recruitment Expenses	-	1,395
Depreciation	10,632	10,741
Loss on sale of assets	364	145
Interest payable and similar charges	<u>3,185</u>	<u>3,883</u>
	<u>338,422</u>	<u>321,850</u>

7. GRANTS PAYABLE

	2020 £	2019 £
Research - Bio bank	59,855	73,238
Research - Oxford University	53,745	50,319
Others	<u>36,737</u>	<u>50,259</u>
	<u>150,337</u>	<u>173,816</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. SUPPORT COSTS

	Governance costs £
Information and support	<u>4,331</u>

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

	2020	2019
	Information and support £	Total activities £
Accountancy fees	<u>4,331</u>	<u>4,299</u>

9. NET INCOME/(EXPENDITURE)

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

	2020	2019
	£	£
Accountancy fees	4,331	4,299
Depreciation - owned assets	10,631	10,741
Equipment hire	2,039	1,545
Deficit on disposal of fixed assets	<u>364</u>	<u>145</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

4 Trustees received reimbursement of expenses amounting to £4,862 in the current year, (2019 - 4 Trustees - £10,333).

11. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	182,121	171,438
Social security costs	7,663	6,240
Other pension costs	<u>2,444</u>	<u>2,486</u>
	<u>192,228</u>	<u>180,164</u>

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

	2020	2019
	<u>8</u>	<u>7</u>
Average Employees		

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

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

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

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2020	177,712	2,128	8,495	188,335
Additions	-	-	1,156	1,156
Disposals	<u>-</u>	<u>-</u>	<u>(2,123)</u>	<u>(2,123)</u>
At 31 December 2020	<u>177,712</u>	<u>2,128</u>	<u>7,528</u>	<u>187,368</u>
 DEPRECIATION				
At 1 January 2020	35,544	245	5,591	41,380
Charge for year	8,885	491	1,255	10,631
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(1,759)</u>	<u>(1,759)</u>
At 31 December 2020	<u>44,429</u>	<u>736</u>	<u>5,087</u>	<u>50,252</u>
 NET BOOK VALUE				
At 31 December 2020	<u>133,283</u>	<u>1,392</u>	<u>2,441</u>	<u>137,116</u>
At 31 December 2019	<u>142,168</u>	<u>1,883</u>	<u>2,904</u>	<u>146,955</u>

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. STOCKS

	2020	2019
	£	£
Stocks	<u>9,018</u>	<u>7,244</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	696	-
Other debtors	3,900	19,685
Tax recoverable	271	997
Legacies	688,322	138,692
Prepayments and accrued income	<u>23,680</u>	<u>700</u>
	<u>716,869</u>	<u>160,074</u>

16. CURRENT ASSET INVESTMENTS

	2020	2019
	£	£
Term deposits	<u>502,061</u>	<u>601,359</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	2,514	4,722
Social security and other taxes	3,479	2,782
Other creditors	1,457	1,355
Grant commitments	-	28,789
Accruals and deferred income	<u>42,683</u>	<u>38,455</u>
	<u>50,133</u>	<u>76,103</u>

Deferred Income

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

Deferred income represents deferred annual membership subscriptions.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

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

18. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund - unrestricted	1,607,281	692,213	(106,622)	2,192,872
Restricted funds				
Ramsay Research Fund	112,975	(75,530)	106,622	144,067
TOTAL FUNDS	<u>1,720,256</u>	<u>616,683</u>	<u>-</u>	<u>2,336,939</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund - unrestricted	1,054,004	(361,791)	692,213
Restricted funds			
Ramsay Research Fund	55,769	(131,299)	(75,530)
TOTAL FUNDS	<u>1,109,773</u>	<u>(493,090)</u>	<u>616,683</u>

Comparatives for movement in funds

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. MOVEMENT IN FUNDS - continued

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

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

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

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund - unrestricted	1,450,713	848,781	(106,622)	2,192,872
Restricted funds				
Ramsay Research Fund	213,797	(176,352)	106,622	144,067
TOTAL FUNDS	<u>1,664,510</u>	<u>672,429</u>	<u>-</u>	<u>2,336,939</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund - unrestricted	1,530,554	(681,773)	848,781
Restricted funds			
Ramsay Research Fund	134,930	(311,282)	(176,352)
TOTAL FUNDS	<u>1,665,484</u>	<u>(993,055)</u>	<u>672,429</u>

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

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	258,805	243,099
Legacies	732,793	192,824
Subscriptions	<u>79,454</u>	<u>77,665</u>
	1,071,052	513,588
Other trading activities		
Other incoming resources	8,244	3,319
Trading	<u>22,967</u>	<u>23,301</u>
	31,211	26,620
Investment income		
Investment income	<u>7,510</u>	<u>15,503</u>
Total incoming resources	1,109,773	555,711
EXPENDITURE		
Charitable activities		
Wages	182,121	171,438
Social security	7,663	6,240
Pensions	2,444	2,486
Equipment hire	2,039	1,545
Purchases	13,977	14,220
Postage, telephone and stationery	30,186	29,290
Sundries	2,193	1,636
Travel and subsistence	2,773	7,426
Meeting costs	44	1,309
Printing	30,477	24,014
Office expenses	5,958	5,426
Repairs and maintenance	389	3,942
Cleaning	1,142	989
IT Consultant	6,986	3,720
Irrecoverable VAT	1,732	3,461
Subscriptions	1,857	3,501
Training	-	123
Magazine contractors	23,539	17,167
Medical literature	210	1,245
Other costs	2,690	3,463
Website Costs	5,821	3,045
Recruitment Expenses	-	1,395
Depreciation	10,632	10,741
Loss on sale of tangible fixed assets	364	145
Bank charges	3,185	3,883
Carried forward	338,422	321,850

THE MYALGIC ENCEPHALOPATHY ASSOCIATION

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Charitable activities		
Brought forward	338,422	321,850
Grants to institutions	<u>150,337</u>	<u>173,816</u>
	488,759	495,666
 Support costs		
 Governance costs		
Accountancy fees	<u>4,331</u>	<u>4,299</u>
 Total resources expended	<u>493,090</u>	<u>499,965</u>
 Net income	<u><u>616,683</u></u>	<u><u>55,746</u></u>