



**Annual Report & Accounts
2015–2016**

ME Research UK

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ME Research UK

Reference and Administrative Details

Charity name	ME Research UK
Charity registration number	SC036942
Trustees	Dr Vance A Spence, Chairman Mrs Sue Waddle, Vice Chair Robert D McRae, Secretary (retired 13/04/16) Mrs Jan McKendrick, Secretary (appointed 13/04/16) Edward Dunkerley Prof Faisal Khan
Founding Patron	Roger Jefcoate CBE DL
Patron	The Countess of Mar
Honorary President	Robert D McRae (appointed 13/04/16)
Registered Office	The Gateway North Methven Street Perth PH1 5PP
Telephone	01738 451234
Email	meruk@pkavs.org.uk
Web	www.mereseach.org.uk
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Independent Examiner	Alexander J Fyfe M.A.A.T., C.A., DChA Morris and Young Chartered Accountants 6 Atholl Crescent Perth PH1 5JN

ME Research UK

Trustees' Report

The Trustees present their report along with the financial statements of the charity for the period 1st November 2015 to 31st October 2016 – see Note 1 to the accounts. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's Constitution dated 4th August 2016; the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended); and the requirements of the Office of the Scottish Charity Regulator (OSCR).

History

ME Research UK was recognised as a single tier Scottish Charitable Incorporated Organisation (SCIO) on 8th November 2011 and was allocated Scottish Charity No. SC036942. The SCIO assumed the assets, liabilities and activities of a former charity of the same name.

The precursor charity (ME Research Group for Education and Support (MERGE), working name “ME Research UK”) was established in the year 2000 by Robert D McRae, Dr Vance A Spence and Founding Patron, Roger Jefcoate CBE DL. From 2000 to 2005, it was registered with the Charity Commission for England and Wales but on 24th November 2005 the charity came under the jurisdiction of OSCR. By 2011, the Trustees considered that the objectives of the charity were better served by availing themselves of the opportunities offered by SCIO status. The precursor charity was deregistered as a charity by OSCR on 7th November 2011.

Objectives and activities

In terms of the Constitution, the charity's principal aim is to commission and fund high-quality scientific (biomedical) investigation into the causes, consequences and treatment of ME/CFS.

ME Research UK furthers its charitable purposes (either alone or in tandem with other bodies) through its grant-making policy which aims to:

- Stimulate high quality biomedical research into ME/CFS globally with the objective of enriching the scientific understanding of the disease, leading to increased awareness of the illness and, ultimately, therapeutic help for patients. The Trustees believe that only through research can the causes of the illness be identified and, eventually, a treatment found.
- Encourage researchers with fresh, novel ideas to become active in ME/CFS research and provide them with the resources to undertake scientific investigations. It is at this leading edge that ME Research UK sees its role: to give financial aid and other assistance to biomedical scientists for novel research projects that would otherwise not be funded.
- Support research groups (especially those new to the field) to the stage where they can apply, on the basis of their ME Research UK funded work, to major funding agencies for support.

The other objectives of the charity are to provide education about the illness and the need for research (by, for example, producing high-quality professional reviews and reports, and presenting research at meetings and conferences), and to support people with ME/CFS by providing information on accessing the services they require. In general, the charity considers that its mission is to "Energise ME Research" globally.

Governance and Management

At regular Trustees' meetings, the Trustees agree the broad strategy and areas of activity for the charity, including consideration of grant making, investment, reserves and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications, prior to consideration by the Management Group, is delegated to the Research and Operations Director.

ME Research UK

Trustees' Report

Acknowledgements

The Trustees wish to acknowledge with gratitude the contribution of two outstanding individuals – Robert D McRae and Dr Neil C Abbot, who both retired from their respective roles in the current reporting year.

Robert D McRae, one of the founders of ME Research UK, retired as a Charity Trustee and as Secretary to the Board of Charity Trustees at ME Research UK's AGM on 13th April 2016 after almost 16 years' dedicated and unstinting service to the charity and to its aims. Steeped in the best traditions of banking, he was pivotal in ensuring that the charity established and maintained the strongest of financial and administrative structures. The Trustees are fortunate that he has agreed to continue his association with the charity and that he has accepted the position of Honorary President where his level-headed and realistic approach to matters can continue to be drawn upon.

ME Research UK's reputation for insightful, considered and expert comment on research and matters of concern to the ME community is based primarily upon the work of retiring Research & Operations Director, Dr Neil C Abbot. His sheer breadth of knowledge in the field of ME/CFS research is demonstrated in the number of articles, both in print and via our website and Facebook page, which bear his name. The Trustees acknowledge that his dedication to the charity has been absolute and enabled ME Research UK to be recognised as a flag-bearer for funding first rate research in a difficult arena. The ME community, and ME Research UK, owe him a great debt. The unassuming manner in which he has provided advice, support and guidance to researchers, other charities and to individual supporters means that the extent of his involvement and influence may not be known publically but is nevertheless acknowledged, with thanks, by his peers. The Trustees are grateful that Dr Neil C Abbot has accepted the position of Hon. Secretary to the Scientific Advisory Board.

Recruitment and appointment of new Trustees

In terms of the Constitution, new Trustees are appointed by the Board of Charity Trustees acting by a majority decision. Application for appointment as a Charity Trustee is open to any individual aged 16 and over, whose skills, experience and qualifications are in accord with the charity's purposes. Prospective Trustees require to complete and to sign a written application in such form as the Board of Charity Trustees may decide and completed applications are considered at the next scheduled Board meeting after receipt of the form.

The Board of Charity Trustees is acutely aware that applicants must contribute towards the good management of the charity and ought to enhance the capabilities of the Board. The Board of Charity Trustees therefore considers applications against the skill-set required for the proper functioning and evolution of the charity. The Board may set up a working group to recruit new Trustee(s) who may be sought by open advertisement.

No person, whether natural or legal, has the power to appoint a Trustee to the Board of ME Research UK.

Grant making policy and procedures

ME Research UK has established its grant making policy to achieve its objectives for the public benefit. Any private benefit received by researchers, and research institutions and other bodies is purely incidental to the objects of our work. Policy and procedures are reviewed regularly and aim to ensure that research grants are awarded to projects which are scientifically sound, fall within the charity's purposes and have costings which are justifiable.

The charity actively encourages applications for pilot studies and seed-corn projects concerned with novel aspects of research into ME/CFS.

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To support its aims, ME Research UK accepts both formal applications and informal funding queries. All applications are subject to assessment by members of our own Scientific Advisory Board utilizing a Standardized scoring system to facilitate consistent decision-making. The Board utilizes Peer Review (including review by external experts) to ensure sound scientific and cost decisions.

In the current year, a number of grant applications were unsuccessful either in that, upon Peer Review and Scientific Advisory Board input, they were deemed to fall out-with ME Research UK's charitable objectives or that their research methodology or submitted expenses did not meet the requisite standards. Through careful scrutiny of applications – the scientific basis of the submission, the itemized costs and methodology – ME Research UK strives to ensure proper and rigorous safeguards for the stewardship of funds under its control.

ME Research UK's Standard Grant Conditions lay down that all payments of research funding are dependent upon satisfactory proof of research progress. Longer term projects i.e. those in excess of 1 year, are subject to regular (normally 6 monthly) review. The charity therefore ensures that grant monies which have been given are utilized in line with the charity's purposes and that progress merits payment of further instalments of financial assistance.

ME Research UK endorses the position of the Association of Medical Research Charities as regards university funding, and ME Research UK-sponsored projects will be conducted in accordance with the principles outlined in the Declaration of Helsinki, and approved by local research ethics committees.

Grant Making Objectives

The evidence across many studies is that between 120,000 and 240,000 people in the UK have ME/CFS, a prevalence higher than HIV infection or multiple sclerosis. It is twice as commonly reported in women as men. Studies indicate that most people with ME/CFS are unable to work to full capacity, and that a significant number (from 10 to 25%) are effectively house or bed-bound. It is now known that ME/CFS affects all social groups and all ages, including children. The course of the illness can be extremely variable; some people improve quite quickly, while many others develop stable chronic illness, and a few experience a severe and debilitating downward course over many years. A report to the Chief Medical Officer of England in 2002 stated that ME/CFS "is a genuine illness and imposes a substantial burden on the health of the UK population. Improvement of health and social care for people affected by the condition is an urgent challenge", and this remains true today.

The beneficiaries of our grant making programme are ultimately those affected directly and indirectly by ME/CFS and those who may develop ME/CFS in the future. The research we fund helps lay the foundation for further research in an area which is under-represented in scientific research and where replicated studies are rare. ME Research UK believes that, by providing albeit small scale funding to research projects, momentum will build and lead ultimately to large scale research through the involvement of major governmental and private philanthropic bodies. Once the mechanisms of the illness are understood, more effective treatment and cure will follow.

ME Research UK, through its website, publications, attendance at conferences (including the UK CFS/ME Research Collaborative and contacts worldwide) invites applications for research grants. Having the name of the charity noted in the 'Funding Acknowledgment' section of scientific papers is an important way of bringing ME Research UK to the attention of other scientists. In the current year, both projects accepted for funding were the result of our 'Call for Funding Applications' which went to researchers across the world. Full applications received are peer reviewed by independent researchers with specialist knowledge of the area, subject to the funding requested. The peer review reports are then collated and forwarded to the Scientific Advisory Board which assesses the application, the peer review results (which include a standardized scoring system), and the charity's research objectives to arrive at a decision.

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ME Research UK only funds projects at established institutions – such as universities, research centres and NHS hospitals (or equivalent overseas) – to ensure that, in the case of non-compliance with the terms of the research award, charity funds will be protected and recovered. Research grant instalments are normally paid only upon receipt of regular progress reports.

By the careful, structured and objective consideration of applications and a prudent approach to payment of research monies, ME Research UK ensures high standards of care of the funds entrusted to it. Details of the application process, together with relevant forms are available on the charity's website – www.mereseach.org.uk

Review of Achievements and Performance

A - Research

Research grants

The most significant aspect of our charity and the core to our charitable purposes and aims is the provision of funding for research. Two new projects were actioned in 2015/2016, with three projects continuing from previous years.

Our 2016 'Call for Funding Applications' resulted in ten outline applications being received from researchers based in institutions around the world. Two projects were deemed by our Scientific Advisory Board to fulfil the charity's research objectives and were thus recommended to the Trustees for funding in 2015/16. A decision on a further four applications will be made in the 2016/17 financial year as the applications are still at peer-review – in line with ME Research UK's Grant making policy and procedures.

Of the two projects funded, one is based in Australia (two-dimensional sequencing and machine learning) and one in Canada (immunosignature assay in B cell depletion), and further details are given below.

Study 1: Two dimensional (2D) sequencing and machine learning

Genome Wide Association Studies (GWAS) involve taking a complete set of each patient's DNA (genome) from a tissue sample, setting it on tiny chips and scanning it in the laboratory using machine automation. This allows the genome to be rapidly surveyed at one time, and is a tremendous advance. However, standard GWAS investigation needs samples from a large number of patients, probably thousands because of the variation in the human genome, and this is a particular problem in complex illnesses like ME/CFS. One way to avoid recruiting thousands of research participants, reducing costs and time, is DNA pooling, and ME Research UK awarded funding in 2015/16 to Prof Brett Lidbury of The John Curtin School of Medical Research in Acton, Australia for genomic studies using two DNA pooling techniques: pooling/bootstrap GWAS and a 2D DNA pooling method for rare variant detection. The Lidbury group recently completed a pilot study which successfully used such machine learning methods for pathology and clinical data, revealing patterns associated both with the presence and severity of ME/CFS, and our funding will allow an expansion of this work to obtain a genetic profile that may improve diagnosis and management.

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Study 2: Immunosignature assay in B cell depletion

Rituximab is a monoclonal antibody against a protein on the surface of B-lymphocytes, a type of white blood cell. The drug wipes out these B-cells, and has been used to treat diseases (such as some cancers and autoimmune disorders) in which these cells are malignant, overactive or too numerous. Following promising phase I and II studies, a large Norwegian phase III trial on rituximab in patients with ME/CFS is presently being conducted. A small number of samples from this larger study have been shared by the Norwegian researchers with Prof David Patrick of the University of British Columbia, Canada, and his pilot data indicate that there may be a distinct immunosignature that distinguishes ME/CFS patients who would later go on to respond to rituximab from those who did not. Accordingly, ME Research UK provided funding in 2015/16 for Prof Patrick to analyse samples from all 152 patients in the Norwegian trial to explore, in a blinded study, whether the pilot results can be replicated. The investigators will apply sophisticated immunosignature assays and explore their utility as screening tool for potential responders to rituximab therapy. The work may determine which ME/CFS patients respond to B-cell depletion therapy, and further understanding of the immune-pathological underpinnings of the illness.

All grant-making disclosed in Note 9 to the accounts relates to research which advances the objectives of the charity.

New Projects in 2015/16	Total cost £
Two dimensional (2D) sequencing and machine learning to maximise genetic marker detection in a clinically well-defined ME cohort for enhanced diagnosis. <i>Prof Brett Lidbury, The John Curtin School of Medical Research, The Australian National University, Acton, Australia.</i>	49,724
Can an immunosignature assay identify patients with ME/CFS who will benefit from B cell depletion with rituximab. <i>Dr David Patrick, School of Population and Public Health, University of British Columbia, Canada.</i>	54,100
Ongoing projects, initiated in previous financial years, payable (subject to progress) in 2016/17	Total Cost £
Two year program grant: biomedical basis of ME/CFS. <i>Prof Julian Newton, School of Clinical Medical Sciences, University of Newcastle, Newcastle</i>	100,000
A study examining Nrf2 antioxidant gene expression and its role in combatting oxidative stress. <i>Dr F Khan, The Institute of Cardiovascular Research, University of Dundee</i>	61,953
Epigenetics of the brain derived neurotrophic factor gene and its relevance for pain in ME/CFS: an explorative study. <i>Prof Jo Nijs, Faculty of Physical Education and Physiotherapy, Vrije Universiteit Brussel, Belgium</i>	44,859
Comparisons of ME & MS. <i>Prof Jo Nijs, Faculty of Physical Education and Physiotherapy, Vrije Universiteit Brussel, Belgium</i>	41,588

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Impact and Publications

A widely accepted means by which the work of the charity can be assessed is to gauge the number of scientific publications emanating from specific projects. Since 2000, ME Research UK has awarded 43 specific grants totaling £1.4 million, to research institutions in the UK, Australia, Belgium, Canada and Sweden. The results have been published in 71 research papers in peer-reviewed scientific journals world-wide and are available to researchers globally.

In addition, the following outcomes have been achieved during the year with the diverse topics explored being indicative of the range of research being carried out with funding supplied by the charity.

a) Reduced cardiac volumes

Over the years, a number of reports in the scientific literature have pointed to the presence of abnormalities of heart (cardiac) function in ME/CFS. Previous work funded by ME Research UK at Newcastle University have also throw up some intriguing findings concerning the function of the heart in ME/CFS, including bioenergetic abnormalities in heart muscle and in the muscles of the skeleton. The same investigators have continued their work with ME Research UK funding, using cardiac MRI tagging to look at the function of the heart in a larger and different group of patients. One of the main findings was a dramatic increase in 'residual torsion' in ME/CFS patients compared with controls, as well as reductions in stroke volume, end-diastolic volumes, end-systolic volumes, and end-diastolic wall masses. The finding that red cell volume was low was intriguing, and it may be that blood volume plays at least a part in the symptoms experienced by ME/CFS patients. Overall, the findings have confirmed, using state-of-the art MRI, the presence of cardiac abnormalities in people with ME/CFS. It remains unknown, however, whether these are caused by ME/CFS and its consequences or whether a pre-existing reduced cardiac volume makes people more vulnerable to the development of the illness. The work was published in the journal *OpenHeart* in June 2016.

b) MicroRNAs as potential biomarkers

While other types of ribonucleic acid have a 'positive' role in the creation of proteins, microRNAs tend to prevent things happening - they 'silence' messenger RNA molecules (which carry genetic information for the production of proteins) by cleaving them, destabilising them, or interfering with their work. Dr Jonathan Kerr and his team at St George's University of London received funding from ME Research UK to explore genetic aspects of ME/CFS, and has published a series of scientific papers on their work, most recently in 2015/16 on the topic of microRNAs. The team examined microRNA expression in mononuclear white blood cells (T-cells, B-cells, natural killer cells and monocytes involved in defence and immunity) in ME/CFS. Overall, they observed that four microRNAs expressed in mononuclear white blood cells have potential as biomarkers in ME/CFS, particularly hsa-miR-99b and hsa-miR-330-3p which may also be involved in the natural killer cell dysfunction characteristic of the illness. The results were particularly interesting as the messenger RNAs regulated by hsa-miR-99b and hsa-miR-330-3p have a large degree of overlap with the messenger RNAs found to be upregulated in their previous work, strengthening the case for the role of abnormalities in the innate immune system in the pathogenesis of ME/CFS. The work was published in the journal *PlosOne* in March 2016.

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c) Vision and reading difficulties

Three-quarters of people with ME/CFS experience eyes and vision difficulties, yet these symptoms are rarely recognised by GPs or clinicians. Since 2012, ME Research UK (in conjunction with the Irish ME Trust) has been funding Dr Claire Hutchinson and colleagues at the University of Leicester to identify and quantify vision-related problems in the disease. The work has resulted in four robust scientific papers reporting that ME/CFS patients perform worse than matched controls across three specific aspects of vision; that eye movement dysfunction is a prominent feature; and that vision-related symptoms (sensitivity to bright lights; problems focusing vision and/or attention; and eye pain) are a significant clinical feature. In 2014, we gave additional funding to the team to investigate visual discomfort during reading, a common activity which is important for optimal quality of life but which many people with ME/CFS find difficult. Overall, its findings showed that that vision related reading discomfort in ME/CFS is unlikely to be a factor of impaired ocular motor function, but that ME/CFS patients had higher levels of pattern-related visual stress, which may account for some of difficulties with reading, and that some therapeutic interventions, such as coloured overlays, may be helpful. This complete overview of the work was published as an MSc Thesis (University of Leicester) in 2016 with a short report from this project being published in the journal 'Perception'.

d) UK ME/CFS Biobank

The UK ME/CFS Biobank has been developed as a research resource for scientists at the London School of Hygiene & Tropical Medicine and for the international community of researchers interested in conducting research using tissue from ME/CFS patients. It was established with funding from three charities, including ME Research UK. In 2015 the CURE-ME research team at the London School announced that the establishment phase of the Biobank had been completed. The funding had enabled the Biobank to obtain a £1 million research grant from the US National Institutes of Health, which will fund the project through to mid-2016. In the year 2015/16, it had recruited 390 participants (245 ME/CFS cases, 101 healthy controls, and 44 patients with MS), 22,500 aliquot samples were stored, and the resource aimed to open samples to research groups on a cost-recovery basis in the very near future.

B - Publications, Education and Awareness Raising

During 2015/16, the charity continued its role as providers of high-quality information and education for healthcare professionals and the public. We provided invaluable support and information to the general public, in particular to those affected directly or indirectly by ME/CFS, to health care professionals and to research scientists. In addition to the provision of speakers for external events, to discuss ME Research UK's role, its achievements and to provide insight into current research and the research landscape for ME/CFS, ME Research UK also produces printed literature (leaflets and Breakthrough magazine) and embraces the opportunities afforded by new means of communication to remain relevant and at the forefront of research funding.

During the reporting year, the Trustees appointed ME Research UK's first Marketing Director on a contract basis. The Director has been tasked with implementing a specialist marketing report to further engage with supporters, increase the visibility of the charity and to build upon fundraising success.

Our 'Breakthrough' magazine is provided free of charge to all who request it and is dispatched on a biannual basis. It not only informs the reader of newly funded research applications but also describes and interprets the results of ME Research UK projects completed in the past. Breakthrough also reports other published studies which are presented in a form which aims to ensure that readers have a holistic idea of world-wide research and of findings which may be relevant to them. The magazine, with a readership of almost 5000 in hard copy and more on-line digests research news from around the world and is often cited as being especially useful to people with ME/CFS when speaking to GPs or nurses about their symptoms.

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Our Facebook page (MERResearchUK) strives to balance, on the one hand, postings relating to fundraising activities of our active supporters with summaries of the most important world-wide research into ME/CFS and news of ME Research UK funded projects. In this way, those affected by ME/CFS can be kept abreast of recent developments. This, it is believed, results in a lively but informative realm which is both engaging and educational. Where possible, postings link back to the charity's main website thus driving traffic to one of our central resources and providing a route by which the casual visitor could become more engaged with our work and our cause. Since its launch five years ago, our Facebook page has amassed over 4800 'likes' – an increase of a third from 2014-15 – and is viewed regularly world-wide. It has steadily increased the audience for postings, created a community of regular commentators and provided a new platform from which we can connect to supporters both old and new. It has hoped that the newly active twitter account will further drive the successful dissemination of our research news.

With the increased capacity offered by the Marketing Director, ME Research UK has been able to activate its twitter account (MERResearchUK) as a further avenue to engage more fully with potential donors and to create a community of supporters.

Through our membership of the UK CFS/ME Research Collaborative (CMRC) we continue to raise the profile of biomedical research on a wider stage. The aim of the CMRC is to promote the highest quality of basic and applied evidenced-based and peer reviewed research into ME/CFS by bringing together national agencies, ME/CFS charities, and working researchers from across the UK who wish to work towards that common goal. Membership of the CMRC increases the opportunities we have to engage directly with researchers working in ME/CFS, with other charities, and with larger national funding bodies, such as the Medical Research Council which have associate membership status. In 2015/16, we attended meetings of the CMRC, and at the third CMRC scientific conference held in Newcastle in September 2016. It was a testament to our work that many of the speakers at the conference, for example Dr David Patrick (University of British Columbia, Canada), Prof Julia Newton (Newcastle University) and Dr Sarah Knight (Murdochs Childrens Research Institution, Australia) were grant holders from ME Research UK. Through our continuing membership, we hope to dramatically alter the research landscape to the benefit of ME/CFS patients everywhere.

Monitoring Achievement

Research is assessed by the completion of approved research projects within the planned timescale for the project and of publication of the results in peer reviewed journals. Longer term consequences of the research are more difficult to assess but published papers build a critical mass of information in the scientific literature. Also, our funding lays the foundation for future work by allowing researchers to acquire pilot data on which to base applications to larger, often governmental, funding bodies.

The Trustees monitor closely the feedback from Breakthrough and the data on uptake and use of Facebook and Breakthrough. It would appear that there is a strong demand for impartial, informed scientific comment in the sphere of ME/CFS.

Donated facilities and services

It is estimated that approximately 1,258 voluntary hours were donated by members and 54 voluntary hours were donated by volunteers.

Google AdWords enables the charity to advertise free via Google searches. The value of this donation in kind is approximately \$31,187 (£22,753) and has been recognised in the accounts.

Through a Microsoft Donation Scheme, the charity has also received free Microsoft software. The value of this donation in kind is approximately £382 and this has been recognised in the accounts.

ME Research UK

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Key management personnel remuneration

No key management personnel of the charity receive any remuneration. Strategic decisions and direction come from the Trustees, who receive no remuneration. Staff of the charity carry out the decisions of the Trustees and have no input, with exception of provision of background reports and recommendations, in decision making.

Financial review

The total funds held at the year-end were £354,166 (2015: £312,163), including £37,515 of restricted funds (2015: £13,856). These funds are further explained at note 21.

The charity continues to rely on the generous donations of its supporters - as detailed in Note 2 to the accounts. The amount of charitable activity funded during the period is set out in Note 6 to the accounts, and the charities assets and liabilities are detailed in the Balance Sheet presented in page 15.

The charity's work is entirely reliant on voluntary income.

Given OSCR's recommendations for limitation of Trustees' liability insurance, our financial policy remains as it has always been, namely that no new projects be initiated until the necessary funds to complete them are secure and in place in the charity's bank accounts. This ensures that, for research project purposes, the charity assets will always be in excess of its liabilities. In this regard, the charity aims to be regarded as a sound partner in any project award and therefore to ensure a high level of trust between funding agencies. For non-restricted funds, the Trustees remain prudent in their outlook.

Risk management

The Board of Charity Trustees has considered the major risks to which the charity is exposed and has reviewed those risks and established procedures to manage them. At their meeting on 4th August 2016 the Trustees adopted an updated Risk Register and the items recorded therein will remain under scrutiny.

The principle risks faced by the charity lie in continued reliance on the generosity of individual donors for income and, in the case of operational risks, from ineffective grant making and the ability of the charity to make grants which fulfil its objectives.

As scientific research is largely ineligible for funding support from certain bodies, e.g. the National Lottery, and as other bodies, notably companies, prefer to support 'community based projects', ME Research UK must rely mainly on voluntary donations. The charity strives to encourage active fundraising by facilitating giving through multiple on-line platforms; supporting individual and group projects (such as Walk for ME); and by forging strong links with fundraisers. The establishment and nurturing of the Ambassadors scheme will continue. The Trustees will bolster the current fundraising model by expanding marketing activities to ensure the work of the charity and fundraising opportunities are projected as widely as possible.

The operational risk from ineffective research is managed by retaining staff, peer reviewers and Advisory Board members who understand the science and research methodologies behind research. The Trustees are aware that biomedical research is expensive and that the grants provided will be insufficient for large scale research which is why pilot studies and seed-corn projects concerned with novel aspects of research into ME/CFS are the focus of our work. ME Research UK is open to working cooperatively with other bodies to promote high quality research into ME/CFS and, as such, is an active participant in the UK CFS/ME Collaborative. By supporting initial research, matching funding is often released within researchers' own institutions thus leveraging additional benefit for the sums invested. As can be observed from the scientific papers funded, ME Research UK also collaborates with other charities and funding bodies to facilitate research which would otherwise be impossible for individual bodies alone to bear financially.

Through collaboration and skilful targeting of resources the Trustees ensure that maximum benefit flows from funds invested and that the aims of the charity are fulfilled.

ME Research UK

Trustees' Report

Charity Test

The Trustees are mindful of the continuing legal duty to fulfil the charity test under the 2005 Act.

It is considered that the charity fulfils the 'public benefit' test both directly, by the provision of research grants to institutions, and also indirectly, through the dissemination of research outcomes, news and analysis to the general public and by the provision of information via our website, Facebook and meetings. Our Staff are also available to answer queries from members of the public by both telephone and e-mail. There are no identifiable disbenefits in the acts of the charity or any concerns relating to private benefit.

There are considered to be no restrictive elements in the provision of information in that the Charity's website and Facebook page are freely accessible to the general public without registration and the biannual magazine 'Breakthrough' is provided completely free of charge to any individual or group which requests copies.

Access to grants is via an open grant application system where the merits of the application are judged in a peer reviewed system based on scientific merit. The results of ME Research UK funded projects are published, enabling the wider scientific community to enjoy the benefits of the results.

Due to the nature of biomedical scientific research, there is necessarily a limited pool of potential recipient institutions; scientific research requires trained staff, appropriate facilities and administrative support. ME Research UK, however, is committed to stimulating new research into ME/CFS; encouraging scientists to enter the field; and increasing the published research base on the illness. It was for this reason that ME Research UK became a founding member of the CFS/ME UK Research Collaborative. In addition, a pro-active 'call for applications' has been made to potential recipients working in the field.

The Trustees keep under review the level of un-utilised funds, and it ought to be noted that the charity does not undertake to fund research until the funds have been raised and that payment of successful grants is made to the recipient institution in instalments. Also, grant requests are impossible to predict, and so funds may, unavoidably, accumulate until suitable applications come to the charity. The Trustees continue to monitor the situation and have, and will continue to, take all opportunities to source new project opportunities.

Reserves policy

Transfers are made from unrestricted funds to ensure that sufficient is held in restricted funds to cover the charity's grant making obligations, and to effect minor adjustments.

The Trustees have also reviewed their Reserves Policy by examining income, expenditure and risk factors prior to implementing the results.

As the Trustees do not commit to funding research projects until the full costs have been raised, the Trustees minimize financial risk. Within Unrestricted Funds, three months' operating expenses (£30,000) are identified as a financial reserve. Surplus funds beyond this level are available for immediate utilization to fund research. In recent years, surplus revenues have been accumulated as the Trustees seek relevant research projects worldwide.

There are no significant doubts as to the charity's ability to continue as a going concern.

The annual report was approved by the Trustees of the Charity on 11 April 2017 and signed on its behalf by:

.....
Dr Vance A Spence
Chairman/Trustee

ME Research UK

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities in Scotland 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 charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities & Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ME Research UK

Independent Examiner's Report to the trustees of ME Research UK

I report on the accounts of the charity for the year ended 31 October 2016 which are set out on pages 14 to 29.

Respective responsibilities of Trustees and Examiner

The Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the 2006 Accounts Regulations does not apply.

It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, 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 I do not express an opinion on the view given by the accounts.

Independent Examiner's statement

In the course of 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 44(1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with the Regulation 8 of the 2006 Accounts Regulationshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
Alexander J Fyfe, M.A.A.T., C.A., DChA

Morris & Young
Chartered Accountants
6 Atholl Crescent
PERTH
PH1 5JN

Date:.....

ME Research UK

Statement of Financial Activities for the Year Ended 31 October 2016 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Income and Endowments from:					
Donations and legacies	2	142,613	83,140	225,753	248,798
Other trading activities	3	7,843	-	7,843	6,364
Investment income	4	<u>2,826</u>	<u>1,530</u>	<u>4,356</u>	<u>3,955</u>
Total Income		<u>153,282</u>	<u>84,670</u>	<u>237,952</u>	<u>259,117</u>
Expenditure on:					
Raising funds	5	(37,420)	(54)	(37,474)	(25,066)
Charitable activities	6	(53,345)	(71,133)	(124,478)	(182,294)
Other expenditure	7	<u>(36,169)</u>	<u>-</u>	<u>(36,169)</u>	<u>(26,909)</u>
Total Expenditure		<u>(126,934)</u>	<u>(71,187)</u>	<u>(198,121)</u>	<u>(234,269)</u>
Gains/losses on investment assets		<u>2,172</u>	<u>-</u>	<u>2,172</u>	<u>536</u>
Net income		28,520	13,483	42,003	25,384
Transfers between funds		<u>(10,176)</u>	<u>10,176</u>	<u>-</u>	<u>-</u>
Other recognised gains and losses					
Net movement in funds		18,344	23,659	42,003	25,384
Reconciliation of funds					
Total funds brought forward		<u>298,307</u>	<u>13,856</u>	<u>312,163</u>	<u>286,779</u>
Total funds carried forward	21	<u><u>316,651</u></u>	<u><u>37,515</u></u>	<u><u>354,166</u></u>	<u><u>312,163</u></u>

All of the Charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2015 is shown in note 21.

ME Research UK

**(Registration number: SC036942)
Balance Sheet as at 31 October 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	14	335	-
Investments	15	<u>36,191</u>	<u>34,019</u>
		<u>36,526</u>	<u>34,019</u>
Current assets			
Stocks	16	1,388	1,496
Debtors	17	7,718	44,692
Cash at bank and in hand		<u>603,303</u>	<u>553,844</u>
		612,409	600,032
Creditors: Amounts falling due within one year	18	<u>(234,570)</u>	<u>(186,830)</u>
Net current assets		<u>377,839</u>	<u>413,202</u>
Total assets less current liabilities		414,365	447,221
Creditors: Amounts falling due after more than one year	19	<u>(60,199)</u>	<u>(135,058)</u>
Net assets		<u>354,166</u>	<u>312,163</u>
Funds of the Charity:			
Restricted income funds		37,515	13,856
Unrestricted income funds			
Unrestricted income funds		<u>316,651</u>	<u>298,307</u>
Total funds		<u>354,166</u>	<u>312,163</u>

The financial statements on pages 14 to 29 were approved by the Trustees, and authorised for issue on 11 April 2017 and signed on their behalf by:

.....
Dr Vance A Spence
Chairman/Trustee

.....
Mrs Jan McKendrick
Secretary/Trustee

ME Research UK

Statement of Cash Flows for the Year Ended 31 October 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash income		42,003	25,384
Adjustments to cash flows from non-cash items			
Depreciation	10	167	-
Investment income	4	(4,356)	(3,955)
Gain on investment assets	15	<u>(2,172)</u>	<u>(536)</u>
		35,642	20,893
Working capital adjustments			
Decrease in stocks	16	108	373
Decrease/(increase) in debtors	17	36,974	(35,022)
(Decrease)/increase in creditors	18, 19	<u>(27,119)</u>	<u>65,703</u>
Net cash flows from operating activities		<u>45,605</u>	<u>51,947</u>
Cash flows from investing activities			
Interest receivable and similar income	4	3,219	2,984
Purchase of tangible fixed assets	14	(502)	-
Income from dividends	4	<u>1,137</u>	<u>971</u>
Net cash flows from investing activities		<u>3,854</u>	<u>3,955</u>
Net increase in cash and cash equivalents		49,459	55,902
Cash and cash equivalents at 1 November		553,844	497,942
Cash and cash equivalents at 31 October		<u><u>603,303</u></u>	<u><u>553,844</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

1 Accounting policies

General Information

ME Research UK is a Scottish Charitable Incorporated Organisation (SCIO) and is registered with the Office of the Scottish Charity Regulator under Charity Number SC036942.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements are the first financial statements that comply with FRS 102. The date of transition is 1 November 2015. Further details of this transition are at note 25.

The financial statements are presented in Sterling (£). The financial statements are rounded to the nearest £1.

Basis of preparation

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).

ME Research UK 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 notes.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment income

Investment income is recognised on a receivable basis.

Other income

The value of any voluntary help received is not included in the financial statement but is described in the Trustees' Report.

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant expenditure

Grants payable are payments made to third parties in the furtherance of the charitable objectives.

Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, the grant has been recognised in the accounts on a prudent basis.

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

Asset class	Depreciation method and rate
Fixtures and fittings	3 years straight line

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Fund accounting

Unrestricted income funds are general funds that are available for use at the Trustee's discretion in furtherance of the objectives of the Charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Hire purchase and finance leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

2 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	General £	£	£	£
Donations and legacies;				
Donations from companies, trusts and similar proceeds	2,801	-	2,801	664
Donations from individuals	125,107	78,470	203,577	188,372
Legacies	-	250	250	37,556
Gift Aid reclaimed	14,705	4,420	19,125	22,206
	<u>142,613</u>	<u>83,140</u>	<u>225,753</u>	<u>248,798</u>

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

3 Income from other trading activities

	Unrestricted funds	Total 2016	Total 2015
	General	£	£
	£	£	£
Trading income;			
Other trading income	7,843	7,843	6,364
	7,843	7,843	6,364

4 Investment income

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	General	£	£	£
	£	£	£	£
Income from dividends;				
Dividends receivable from other listed investments	1,137	-	1,137	971
Interest receivable and similar income;				
Interest receivable on bank deposits	1,689	1,530	3,219	2,953
Other investment income	-	-	-	31
	2,826	1,530	4,356	3,955

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

5 Expenditure on raising funds

a) Costs of generating donations and legacies

		Unrestricted funds		Total 2016	Total 2015
	Note	General £	Restricted funds £	£	£
Donations		34,974	54	35,028	22,896

b) Costs of trading activities

		Unrestricted funds		Total 2016	Total 2015
	Note	General £	£	£	£
Costs of goods sold		2,446		2,446	2,170

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

6 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	General	£	£	£
Charitable Activities	<u>53,345</u>	<u>71,133</u>	<u>124,478</u>	<u>182,294</u>
	Activity undertaken directly	Grant funding of activity	Total 2016	Total 2015
	£	£	£	£
Charitable Activities	<u>53,345</u>	<u>71,133</u>	<u>124,478</u>	<u>182,294</u>

Grant funding of activity

	2016	2015
	£	£
Grant funding	101,837	127,530
Returned Grant funding	(30,704)	-
	<u>71,133</u>	<u>127,530</u>

Grant funding of £30,704 was returned to the charity during the year due to non-fulfilment of Grant Agreement.

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

7 Other expenditure

		Unrestricted funds	Total 2016	Total 2015
	Note	General £	£	£
Other resources expended		<u>36,169</u>	<u>36,169</u>	<u>26,909</u>

8 Analysis of governance and support costs

Governance costs

		Unrestricted funds	Total 2016	Total 2015
		General £	£	£
Independent Examiner's remuneration		<u>900</u>	<u>900</u>	<u>900</u>

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

9 Grant-making

Grants payable at 1 November 2015	318,840
Grants paid	(127,462)
New grants committed/withdrawn	101,837
Grants payable at 31 October 2016	293,215

Grants paid and payable

Institution	Title of project	Grants			
		Grants paid 2016	committed/ withdrawn 2016	Payable	
		2016	2016	2016	2015
University of Melbourne, Australia	Characterising neurological biomarkers of paediatric ME/CFS	46,231	-	-	46,231
University of Newcastle	2 Year Program Grant: Biomedical	32,583	-	50,154	82,737
University of Dundee	Basis of ME/CFS Insights into Pathophysiology of	9,163	-	52,790	61,953
University of Leicester	CFS/ME Reading between the lines - Visual	7,858	(64)	-	7,922
Buckinghamshire New University	Discomfort Transfer of ME Disease Register to Buckinghamshire New University	1,720	(3,286)	-	5,006
University of British Columbia	Exploring host gene expression during post-exertional symptom flare up in ME/CFS	23,407	5,519	-	17,888
Leeds NHS Teaching Hospital NHS Trust	Common pathways leading to fatigue	6,500	-	-	6,500
The Australian National University	Two dimensional sequencing and machine learning to ME cohort for enhanced diagnosis	-	49,724	49,724	-
University of British Columbia	ME/CFS patients who will benefit from B cell depletion with rituximab	-	54,100	54,100	-
Universiteit Brussel	Comparison of ME & MS definitions	-	-	41,588	41,588
Universiteit Brussel	Epigenetics of the Brain Derived Neurotrophic Factor Gene and its relevance for Pain in ME/CFS	-	-	44,859	44,859
University of Leicester	Assessment of visual function in	-	(4,156)	-	4,156
	CFS/ME	-	(4,156)	-	4,156
		127,462	101,837	293,215	318,840

As stated in the Trustees' Report, each of these projects relate to research which advances the objectives of the charity.

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

10 Net incoming/outgoing resources

Net incoming resources for the year include:

	2016	2015
	£	£
Independent examiner's remuneration	900	900
Depreciation	167	-
	<u>1,067</u>	<u>900</u>

11 Trustees remuneration and expenses

Three Trustees were reimbursed for travelling expenses totalling £1,431.06 during the year (2015 - £1,725.41). No Trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

12 Staff costs

The aggregate payroll costs were as follows:

	2016	2015
	£	£
Staff costs during the year were:		
Wages and salaries	73,169	63,687
Social security costs	4,018	3,421
	<u>77,187</u>	<u>67,108</u>

The monthly average number of persons (including senior management team) employed by the Charity during the year expressed as full time equivalents was as follows:

	2016	2015
	No	No
Charitable activities	1	1
Fundraising	2	1
Governance	1	1
	<u>4</u>	<u>3</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the Charity were £Nil (2015 - £Nil).

13 Taxation

ME Research UK is a registered charity and is, therefore, exempt from taxation.

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

14 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 November 2015	5,825	5,825
Additions	502	502
Disposals	(632)	(632)
At 31 October 2016	5,695	5,695
Depreciation		
At 1 November 2015	5,825	5,825
Revaluations	167	167
Eliminated on disposals	(632)	(632)
At 31 October 2016	5,360	5,360
Net book value		
At 31 October 2016	335	335
At 31 October 2015	-	-

15 Fixed asset investments

	2013 £	2015 £
Other investments	36,191	34,019

Other investments

	Listed investments £	Total £
Cost or Valuation		
Cost brought forward	34,019	34,019
Revaluation	2,172	2,172
At 31 October 2016	36,191	36,191
Net book value		
At 31 October 2016	36,191	36,191
At 31 October 2015	34,019	34,019

The market value of the listed investments at 31 October 2016 was £36,191 (2015 - £34,019).

All investment assets were held in the UK.

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

16 Stock

	2016 £	2015 £
Stock	<u>1,388</u>	<u>1,496</u>

17 Debtors

	2016 £	2015 £
Prepayments	<u>7,718</u>	<u>44,692</u>

18 Creditors: amounts falling due within one year

	2016 £	2015 £
Other creditors	233,016	183,782
Accruals	<u>1,554</u>	<u>3,048</u>
	<u>234,570</u>	<u>186,830</u>

19 Creditors: amounts falling due after one year

	2016 £	2015 £
Other creditors	<u>60,199</u>	<u>135,058</u>

20 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Land and buildings		
Within one year	<u>2,179</u>	<u>1,879</u>

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

21 Funds

	Balance at 1 November 2015 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 October 2016 £
Unrestricted funds						
<i>Unrestricted general funds</i>						
Unrestricted funds	298,307	153,282	(126,934)	(10,176)	2,172	316,651
Restricted funds						
Restricted funds	<u>13,856</u>	<u>84,670</u>	<u>(71,187)</u>	<u>10,176</u>	<u>-</u>	<u>37,515</u>
Total funds	<u><u>312,163</u></u>	<u><u>237,952</u></u>	<u><u>(198,121)</u></u>	<u><u>-</u></u>	<u><u>2,172</u></u>	<u><u>354,166</u></u>
	Balance at 1 November 2014 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 October 2015 £
Unrestricted funds						
<i>Unrestricted general funds</i>						
Unrestricted funds	236,713	196,359	(106,705)	(28,596)	536	298,307
Restricted funds						
Restricted funds	<u>50,066</u>	<u>62,758</u>	<u>(127,564)</u>	<u>28,596</u>	<u>-</u>	<u>13,856</u>
Total funds	<u><u>286,779</u></u>	<u><u>259,117</u></u>	<u><u>(234,269)</u></u>	<u><u>-</u></u>	<u><u>536</u></u>	<u><u>312,163</u></u>

The specific purposes for which the funds are to be applied are as follows:

Restricted Funds are for the purpose of grant-making for research projects.

Transfers are made from Unrestricted Funds to ensure that sufficient funds are held in Restricted Funds to cover the charity's grant-making obligations, and to effect minor adjustments.

ME Research UK

Notes to the Financial Statements for the Year Ended 31 October 2016

22 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General funds £	funds £	£
Tangible fixed assets	335	-	335
Fixed asset investments	36,190	-	36,190
Current assets	281,680	330,730	612,410
Current liabilities	(1,554)	(233,016)	(234,570)
Creditors over 1 year	-	(60,199)	(60,199)
Total net assets	<u>316,651</u>	<u>37,515</u>	<u>354,166</u>

23 Analysis of net funds

	At 1 November 2015 £	Cash flow £	At 31 October 2016 £
Cash at bank and in hand	553,844	49,459	603,303
Net debt	<u>553,844</u>	<u>49,459</u>	<u>603,303</u>

24 Related party transactions

Controlling entity

The charity is controlled by the Trustees of the charity.

Related party transactions

The following relationships exist between the Trustees who have served at any time during the year and connected Projects which have been granted funding. The Trustees do not participate in deliberations relating to and do not vote on, decisions affecting the Project with which they are connected. The related parties are:

Dr Faisal Khan

Insights into Pathophysiology of CFS/ME

The above Project was was paid funding of £9,163 during the year (2015 - £nil). £52,790 remains payable within one year at 31 October 2016 (2015 - £61,953). This is recognised in grants payable at the year-end. Dr Khan joined the Board after the decision was made to award this Project a grant.

25 Transition to FRS 102

There was no restatement of comparative figures required for the adoption of FRS102.