

Registered Charity Number

1036419

Registered Charity in Scotland

SC040452

Registered Company Number

2906840

Action for M.E.

Report and Accounts

for the year ended 31st March 2012

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Action for M E
Report and accounts
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**Action for M.E.
Company Information**

Registered Charity No 1036419
Registered in Scotland SC040452
Incorporated on 10th March 1994 Company Registration Number 2906840

Registered Office	3 rd Floor, Canningford House, 38 Victoria Street, Bristol, BS1 6BY
President	Clare Francis MBE
Founding President	Sue Finlay
Vice President	Martin Arber
Patrons	Lord Bragg Julie Christie Clare Francis MBE Professor Anthony Pinching Lord Puttnam CBE
Chairman	Alan Cook CBE
Chief Executive	Sir Peter Spencer KCB resigned 6 September 2012 Sonya Chowdhury appointed 6 September 2012
Principal Medical Adviser	Dr Alastair Miller
Bankers	The Royal Bank of Scotland 79-83 Colmore Row Birmingham B3 2AP
Auditor	PKF (UK) LLP 2nd Floor, 1 Redcliff Street, Bristol, BS1 6NP

Action for M E
Trustees' Annual Report 2012

The Trustees present their Annual Report and accounts for the year ended 31st March 2012

The Objects of the Charity and how these are achieved

The Charity, as an incorporated Company, is governed by its Memorandum and Articles of Association. Each of the Trustees is a Director of the Company and references to Trustees include references to the same persons as Directors.

Action for M E was established for the relief of people suffering from the disease Myalgic Encephalomyelitis, (commonly known as M E, or CFS/M E, but also referred to as Myalgic Encephalopathy, CFS or PVFS), and to provide information, advice and support, and to promote public education and research into the disease.

Since then Action for M E has led the campaign for change and has been at the heart of the remarkable developments in recent years: the growing public understanding of the illness, the recognition of M E as a neurological condition, the Chief Medical Officer's report in 2002, and patient involvement in establishing the M E Services within the NHS. We are the leader in the field and have many achievements in campaigning and effecting change to secure a better future for people with M E. Our accumulated knowledge and experience ensures that the voices of people with M E are represented to policy makers and decision takers. People with M E remain at the heart of the organisation and our founding principle of improving life for people with M E still drives the Charity.

On a day-to-day basis we provide telephone support and information to people with M E including four copies of our magazine InterAction each year and comprehensive online facilities via our website. We are increasingly involved in research with the aim of improving scientific knowledge of the illness.

Strategic Direction

Having published their strategic plan for the period 2009-2014 in 2009, the Trustees have since conducted regular annual reviews. The most recent was at the Board away day in November 2011. The Trustees reaffirmed the vision, mission and values of Action for M E that are set out below. They also reviewed the long term strategic direction for major and sustainable growth of the Charity and confirmed that this remained valid too. The needs of people with M E still greatly outweigh the support and services available to them. The big cuts being made in public expenditure by the Coalition Government exacerbate the wide-ranging problems encountered by people with M E. Hence the imperative remains for Action for M E to be transformed as rapidly as possible into a much larger and more effective organisation. However the board has also recognised that the charity has not achieved the ambitious targets set in 2009 for income generation growth trajectory. A new strategic plan for the period 2012 – 2017 has been produced to record the progress achieved, prioritise enabling objectives and reset financial growth targets.

Vision, Mission and Values

Our Vision is to overcome M.E - By this we mean that the cause, risk factors and development of the family of closely related complex illnesses that we currently describe as M E or as M E /CFS, are fully understood. Ideally

we shall have highly effective preventive measures and, for those who do contract M E , either a cure or a treatment regime that minimises the impact of their illness M E will be properly recognised and sufficient resources will be made available by the Government to meet whatever needs remain

The vision will not be attained within the five year horizon of the strategic plan For this period **our Mission is to transform the lives of People with M.E. for the better whilst working towards ultimately overcoming M.E.**

The **Values** that we have identified as being central to achieving our mission are

- **Empathy** – The impact of M E is fully understood by the majority of Trustees who themselves have had direct experience of the illness Their strategic leadership will set the parameters that reflect this intrinsic empathy and staff training will instill this value into those who do not have the illness
- **Clarity** – This is essential in all of our work and, together with expertise, lends us the natural authority required to lead on behalf of all people with M E
- **Courage** – We have the moral courage to campaign openly on behalf of people with M E and to state our evidence-based policies regardless of how unpopular this may make us
- **Transformation** – The status quo is simply unacceptable Everything that we do and every pound that we spend is tested against the question – *How is this contributing to transforming the lives of people with M E ?*

At the highest level our three strategic aims are

- to campaign to improve the environment for people with M E
- to empower and support people with M E
- to promote and fund scientific research

How our Activities deliver Public Benefit?

The board of Trustees has carefully considered the Charity Commission's applicable principles of public benefit The first principle *that there must be an identifiable benefit* is met by the achievement of specific objectives These benefits are clearly defined and are all directly related to the aims of the Charity The second principle *that benefit must be to the public or a section of the public* is met because the Charity serves the interests of all people with M E in the UK and their families and carers This is implicit in the strategic aims as defined above The subscription from supporting members brings additional benefits such as four editions per annum of the magazine InterAction, reduced payment for certain publications and privileged access to restricted areas of the web site

Activities and Achievements during 2011-12 which delivered public benefit included.-

Campaigning

- Raised awareness among members of the Westminster and Scottish Parliaments about the need to protect people with M E from the very damaging adverse consequences of ongoing welfare reform legislation and reductions in funding of specialist healthcare services
- Joined with other Disability organisations in the "Hardest Hit" campaign on 11 May 2011
- Consulted with our members and other people with M E to submit evidence to the Parliamentary Select Committee on Work and Pensions inquiry into the transition of people on Incapacity Benefit to Employment and Support Allowance Several of our recommendations were reflected in the final report calling on the Government to make improvements in key areas

- Attended meetings with Ministers and senior officials from the Department of Work and Pensions (DWP) to press the case for more enlightened assessment procedures and for the Government to give a more positive lead on persuading employers to make appropriate reasonable adjustments to employment conditions for people with M E and similar conditions
- Facilitated and co-sponsored with KPMG, a DWP led Conference - "Helping people with long term health conditions remain in or return to work"
- Lobbied Greenwich Council and other Local Authorities to reverse discrimination against people with M E by withholding blue badges for car parking
- Supported local groups by lobbying in Lothian, Romford and Leeds to protect or enhance specialist health care services under threat
- Launched our *Time for Action* campaign in Feb 2012 to highlight the ignorance, injustice and neglect towards M E By the end of June this campaign was being supported by over 6,600 signatories including 57 MPs and 3 MSPs and has achieved widespread media coverage across the UK
- Published the emerging findings of our UK-wide Freedom of Information questionnaire that was sent to all PCTs in England and all Health Boards in Scotland, Wales and Northern Ireland A full report entitled *Ignorance, Injustice and Neglect* was published on 8 May 2012
- Following sustained campaigning by Action for M E and other M E charities over many years and our discussions with the Medical Research Council (MRC), the MRC announced in November 2011 five new research projects into the biology of M E following a call for proposals for funds that had been exceptionally ring fenced for this purpose This was seen by many people that the MRC is at last taking scientific research into this illness seriously

Information and Support

- Launched our new website the Online M E Centre in July 2011 This has rapidly become a major source of information and peer support as well as providing a unique searchable database for a wide range of services needed by people with M E across the whole of the UK It is also a powerful facility for consulting our supporting membership on matters of policy and campaigning
- Unique website hits average 27,497 per month and around 6,000 pdfs are downloaded each month
- Over 200 people regularly use our forums and frequently testify to the benefits these give in helping to create and maintain a social life for those who are physically isolated by their illness
- Produced quarterly magazine *InterAction* for members and published online articles freely available to all Regular feedback from the readership (estimated at 30,000) indicates high levels of satisfaction
- Distributed 6,929 hard copy publications including support information pamphlets and GP guidelines
- Continued to increase the volume of our electronic communication activity with over 4,977 subscribers to our monthly *Keep Me Updated* electronic newsletter, 638 individuals from over 100 local support groups subscribing to our two-monthly *Group Action*, 675 organisations and individuals receiving the monthly *Roundup of Fundraising Events*, and 2,536 supporters receiving our twice yearly fund raising newsletter *TakeAction* 319 people subscribe to our monthly Scottish Hub electronic newsletter
- Hosted and moderated the Action for M E Facebook page (6,197 fans at the end of this reporting period and continuing to grow)
- Tweeted major issues that affect people with M E and their carers to our Twitter followers (1,285 at the end of this reporting period and continuing to grow)
- Introduced an email support service which answers 30 enquires per month on average
- Provided the following levels of telephone line support each week
 - Welfare Rights - 17 hours, Support Line -20 hours

Research

- Created with two other M E charities (ME Association and ME Research UK) a joint project to establish the UK's first biobank for M E. The current phase costs a total £171,713. It began in August 2011 and is due to complete in November 2012. The parties involved plan to fund the project for another year and we have high hopes that this essential piece of research infrastructure will then be taken on by the MRC or some other mainstream funder of research.
- Following a competition announced at the AGM on 21 October 2011, Action for M E has selected three pilot research projects for funding over the next two to three years at a total cost of £61,000. These are
 - Understanding muscle dysfunction in ME/CFS – Newcastle University
 - Biological correlates of cognitive impairment associated with fatigue in ME/CFS- Sheffield University
 - A study into aspects of sleep associated with ME/CFSAll three will add to our understanding of the biology of M E and open up possibilities for improving treatments and perhaps one day of finding a cure.
- We have continued to be involved with the Bristol University National Outcomes Database programme and will cosponsor applications for large-scale research studies that will among other aims improve understanding of the genetic issues associated with M E.
- We remain involved with the Medical Research Council Expert Group which has set the national priorities for scientific research into M E and are working with colleagues to try to set up an ME/CFS research collaborative that will sustain the national partnership when the expert group is disbanded.

Challenges

Last year's report highlighted the delays experienced with the new website. These have now been overcome and the new website has been in operation since July 2011. It has more than met our high expectations and our initial evaluation has shown considerable benefits being reported by users.

The main challenges in 2011/12 have been to fund the additional resources required to operate the website and our other social communications properly, and to fund the staff recruited to provide telephone and email support services to meet growing demands for these services. Mindful of the inherent weakness in our income generation function, the board decided to invest more heavily in fundraising, centred primarily on a strategy for increasing the numbers of regular committed monthly givers who provide much needed stability of income that is vital to sustain services. During the course of the year we experienced turbulence and serious illness within the Fundraising Team. This greatly reduced our ability to raise funds, especially from Trusts where we fell well short of our target.

Achieving regular income to stabilise the charity at its present level of operations is our number one challenge. The next is to achieve the major growth in income required to deliver the strategic plan.

Governance

- The Board of Trustees is responsible for the strategic direction of the charity and for overseeing the performance of the CEO in delivering the specific objectives in the annual business plan. The board also exercises fiscal oversight and takes the lead on strategic risk management.
- The Strategic Plan for 2009-2014 was formally reviewed at the November 2011 Away Day. It was decided that although the vision, mission and the central theme of achieving major sustainable growth remained valid, the detail needed to be brought up to date in the light of changing external circumstances. A new Strategic Plan was needed for the period 2012-2017. This has been produced following joint trustee/staff workshops and was approved by the Board at its meeting on 6 September 2012.
- Performance management is exercised mainly by reviewing the CEO's quarterly reports of progress which include scores against Key Performance Indicators.
- Fiscal oversight is maintained by all trustees receiving comprehensive monthly financial management reports with commentary by the Director of Finance.
- The Remuneration and Nominations committee that was set up last year has worked well and leads on Governance matters within the charity. It met three times during the course of the year.
- The Audit and Finance Committee meets quarterly and has continued to lead on strategic risk management providing guidance to the main board on risk mitigation activity.
- The Policy Group met six times during the year. Its highest priority is to maintain a comprehensive set of policies that reflect the mission and values of the Charity and respond to external developments in legislation, service delivery and research that affect people with M E and their carers.
- As a member of the Impact Coalition and signatory to the Transparency Manifesto, Action for M E completed its first self assessment in July 2011. The charity scored well in most areas and identified areas for improvement that have since been addressed.
- In response to the charity's increasing involvement with scientific research activity, a Trustee Research Panel has been formed and met for the first time in February 2012.

Volunteers

The Charity has a strong history of volunteer involvement and benefited from approximately 3,810 hours last year. The work done by volunteers included a contribution to the production of the Charity's magazine, InterAction. Other volunteer work included office support and fundraising. This input ranges from a couple of hours to a couple of days per week.

People with M E are also members of the steering groups of the Action for M E funded pilot research projects referred to above.

We are in addition supported by a network of medical, research and professional advisers.

Grant Making Policy

Now that Action for M E has embarked upon making grants, a policy has been drawn up to set out the criteria and rules for making such grants. The Trustees review the grant making policy annually. At present grants are limited to scientific research.

Financial Review

Statement of Financial Activities Total funds received during the year were £689,333 and total resources expended were £890,435. This yielded net outgoing resources of £201,102 compared with a surplus of £220,335 last year. The Board agreed a deficit budget circa £140,000 at the beginning of the financial year on the grounds that drawing down reserves to invest in increased capacity for delivering services and for raising funds would create the circumstances that would generate much more income in the medium to long term. Unfortunately the problems with fundraising outlined above made it necessary to draw down more heavily on reserves than planned.

Restricted Funds A total of £159,816 of restricted money was received during the year and the balance of Restricted Funds increased from £61,513 to £76,050.

Unrestricted Funds During the course of the year total Unrestricted Funds decreased to £311,862. The General Fund component is reported at £253,116. Designated funds are reported at £58,746 a decrease overall of £3,735.

There are four designated funds:

1. The Cathery/Research fund now stands at £21,074 and continues to play a major part in funding the two research pilot projects which began in 2009.
 - The ME/CFS Biobank preparation phase and subsequent implementation of the main Biobank project
 - The National Outcomes Database study to develop and establish systems enabling all NHS clinical teams using the Minimum Dataset (MDS) to contribute to a single National Outcomes Database, to pilot the analysis and feedback of data to individual services and to establish a sustainable infrastructure for the continuation of the MDS after the completion of the project. The Database information will then become capable of supporting large scale biomedical research such as Genome Wide Association studies.
2. The Legacy Development fund is being used to promote and fund activities which will generate further legacies in the future and has decreased from £56,595 to £36,263.
3. The IT Infrastructure fund spent £3,653 on equipment and now stands at £9.
4. The Children Project fund stands at £1,400 and has not yet been used.

Funding Sources The principal funding sources remain charitable trusts, supporting membership subscriptions and community fundraising. Other significant funding sources include gift aid, statutory grants, legacies and Christmas cards. The priorities for developing income streams over the next few years are subscriptions from a larger base of supporting members and financial supporters, Major donors, Legacies, Trusts, and Government and Lottery monies.

Investment Policy The Charity has an investment policy which currently uses the COIF Charities Investment Fund to provide a short term high interest bearing account that optimises the balance between flexibility and rate of return.

Reserves Our current policy is to maintain the level of unrestricted funds that are freely available at no less than three times the monthly running costs of the Charity. Available reserves, excluding the net book value of fixed assets, at 31st March 2012 were £ 300,346, equating to 4.4 months at a monthly spend rate of approximately £69,000. Close scrutiny of the accounts on a monthly basis by Trustees ensures compliance with this policy in order to sustain Action for ME as a robust going concern.

Plans for the Future

People with M E face the challenge of living with a debilitating illness plus the insult of a series of injustices lack of full recognition, lack of readily accessible and effective treatments, a paucity of research, and a welfare benefit system that treats them with systematic unfairness

Within five years we aspire to change forever the image of M E in the minds of ordinary people, service providers and decision-makers, to be more influential with Government departments and to facilitate a well-resourced programme of research into M E in partnership with others

To achieve this we had planned to generate at least £3m annual income within five years and establish a growth trajectory that would exceed £10m per annum by 2019 This is proving to be extremely difficult in the current economic climate and the targeted trajectory for growth is being re-examined We will publish revised targets as part of a new strategic plan to be produced in 2012

Key tasks and objectives for the financial year 2012/13 include -

- Continue to provide a comprehensive network of support for those with M E and their carers
- Increase the numbers of regular committed givers to improve long term financial stability of the charity
- Build strategic relationships with key funders to secure increased unrestricted funds
- Recruit 10,000 supporters for the Time for Action Campaign and implement the objectives of presenting evidence to persuade national and local decision makers to increase funds for service provision and the conduct of research
- Publish our report *"Ignorance, Injustice and Neglect"* on secondary healthcare throughout the UK and persuade the four home government health ministers to give proper leadership to their respective health services to address the significant problems that have been identified by the NHS itself
- Conduct a large scale survey of experiences of people with M E of the Work Capability Assessment and feed the results into the Professor Harrington's annual independent review
- Ensure Action for M E continues to be a strong and influential voice on behalf of people with M E through regular meetings with Government ministers and their senior officials, MPs and MSPs, senior staff in the NHS, DWP and the MRC and by enhancing our profile in national and local media
- Develop new services on our new website, the innovative Online M E Centre This is the only multimedia, web based service specifically designed to be accessible to large numbers of people with M E and to address their varying and complex needs including those who are severely affected It also provides a valuable resource for care professionals in the field
- Improve our telephone support line and email support services demonstrating achievement using the recently developed service evaluation process
- Continue the expansion of our operations in Scotland including successful completion of the Skype Project by September 2012
- Work with co-funding partners to complete phase 1 of the UK M E biobank and establish a viable way ahead for this facility in 2013 onwards
- Launch the three new pilot projects selected for funding in May 2012
- Continue to strengthen the Board of Trustees and the Senior Management Team in order to succeed in a very tough environment

Structure, Governance and Management

Trustees are generally recruited by advertising openly in our magazine InterAction and on our website. In 2011 the Trustees reviewed areas where they perceived a need to enhance the skills mix and personal attributes of the board to enhance collective expertise and diversity. 12 applicants responded to the 2012 recruiting exercise for new Trustees. Following interviews of the shortlisted candidates, five have been provisionally selected. One serving Trustee is standing for re-election this year. In early September, all six names will be put forward to the supporting members who will vote to decide if these appointments should be confirmed at the AGM on 15 November 2012.

Those invited to fulfil the role of Trustee are those persons who are entered into the register of members of Action for M E, being the members of the Company. This differs from "supporting membership" of Action for M E, which does not bring with it the obligations imposed on the members of the Company as a matter of company law.

Each new Trustee is given an induction programme and asked if he or she would like to be paired with a "buddy" for their first year on the Board.

The Board of Trustees of the Charity meets regularly, with the Chief Executive and staff as relevant, to exercise corporate governance, to give strategic direction and to performance manage the achievement of corporate objectives. Day to day administration is delegated to the Senior Management Team (Heads of Finance, Development, Communications and Support Services), under the leadership of the Chief Executive.

Risk

A formal process for strategic risk management is overseen by the Audit and Finance Committee which makes regular reports on strategic risk to the main Board. The major risks, to which the Charity is exposed, as identified by the Trustees, have been tabulated in a risk register and are regularly reviewed together with the systems and procedures that have been established to manage these risks. The most serious risk to Action for M E is that the economic recession reduces income well below the level needed to achieve our objectives. An Income Generation Group led by a Trustee has formulated the marketing strategy for mitigating this risk and this now forms the basis of our business planning for 2012/13.

Other significant risks that had to be managed are

- a Business continuity being disrupted by hacking into our website. The new website which came into service is much more robust and the risk is now much lower.
- b Business continuity being disrupted by loss of key personnel and lack of key skills. We managed this risk by recruiting a high calibre replacement Head of Communications and by recruiting a very capable and experienced Head of Development to manage all aspects of income generation.

Partners

The Charity works closely with other M E charities and the Chief Executive and Policy Officer participate in Forward M E, an umbrella group of charities. Action for M E is a member of the Disability Rights UK and the Neurological Alliance and is increasingly working in partnership with other disability and health charities in order to pursue common objectives.

Trustees

It is the policy of Action for M E that a majority of Trustees should have, or have recovered from, M E. Additionally those who do not have M E usually have first-hand experience of the illness through caring for a close family member. Reflecting its wish to operate practices that are inclusive and take account of the fluctuating and debilitating nature of M E, Trustees may be offered the opportunity to take a sabbatical.

Trustees and Directors during the year

Clare Francis MBE	Resigned 3 May 2011	
Ondine Upton	Re-elected 22 October 2011	
George E Armstrong	Resigned 22 October 2011	
Nadia Conway	Resigned 29 February 2012	
Antony Golding		
Richard J Evans (Company Secretary)		
Christopher J Cundy (Treasurer)		
Lionel R A Godfrey		
Christopher Hoare	Resigned 24 May 2012	
Sarah Helton	Re-elected 22 October 2011	
Martin Jarvis	Re-elected 22 October 2011	
Lynsey Greveson	Elected 22 October 2011	
Katie Prentice	Elected 22 October 2011	
Derek Pheby	Elected 22 October 2011	
Susan O'Shea	Elected 22 October 2011	
Sharon Needham	Elected 22 October 2011	Resigned 13 January 2012
Alan Cook CBE (Chair)		

Members of the Audit and Finance Committee during the year

Richard J Evans	
Christopher J Cundy	
Philip Marsden	Co-opted
Katie Prentice	

Retirement by Rotation

The following are due to retire by rotation and are eligible for re-election -

Tony Golding
Richard Evans

Statement of Trustees' Responsibilities

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

Company and Charity law requires the Trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including its net income and expenditure, of the Charity for the year. 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 Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Trustees are responsible for keeping adequate and proper 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 and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and with the requirements of the Companies Act 2006. 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.

Auditor

A resolution to re-appoint PKF (UK) LLP as auditor for the ensuing year will be proposed at the Annual General Meeting.

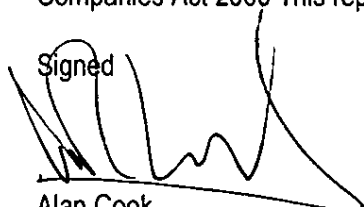
Provision of information to auditor

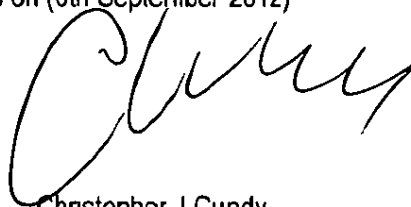
So far as each of the trustees is aware at the time the report is approved

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2008. This report was approved by the Trustees on (6th September 2012)

Signed

Alan Cook
Director and Trustee


Christopher J Cundy
Director and Trustee

Action for M E

Independent Auditor's Report to the Members and Trustees of Action for M E

We have audited the financial statements of Action for M E for the year ended 31 March 2012 which comprise the statement of financial activities, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the Charity's Members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the Charity's Trustees as a body, in accordance with regulations made under section 44 of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charity's Members and Trustees those matters we are required to state to them in an auditor's 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 Charity, the Charity's Members as a body and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the statement of trustees' responsibilities, the Trustees (who are also directors of the 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. We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the Charities and Trustee Investment Scotland Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where regulations made under the Charities and Trustee Investment (Scotland) Act 2005 and where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate and proper accounting records have not been kept in respect of the charity, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements do not accord with the accounting records and returns, or
- certain disclosures of trustee's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exception in preparing the Trustees' report

PKF(UK) LLP

Neil Dimes (Senior statutory auditor)

For and on behalf of PKF (UK) LLP, Statutory auditor

PKF (UK) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Bristol

Dated 6 September 2012

Action for M.E.

Statement of Financial Activities
(incorporating an Income and Expenditure Account)
for the year ended 31st March 2012

		Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
	Notes	2012 £	2012 £	2012 £	2011 £
Incoming Resources					
Incoming Resources from Generated Funds					
Voluntary Income	3	377,118	159,816	536,934	912,682
Activities for Generating Funds	3	29,901	-	29,901	96,721
Investment Income	5	1,755	-	1,755	2,295
Incoming Resources from Charitable Activities	3	120,743	-	120,743	112,311
Total Incoming Resources		529,517	159,816	689,333	1,124,009
Resources Expended					
Costs of Generating Funds					
Costs of Generating Voluntary Income	4	232,985	-	232,985	202,015
Fundraising Trading Costs of Goods Sold and Other Costs		14,751	-	14,751	43,533
Charitable Activities	4	463,914	145,279	609,193	622,301
Governance Costs	4	33,506	-	33,506	35,825
Total Resources Expended		745,156	145,279	890,435	903,674
Net Incoming Resources	2	(215,639)	14,537	(201,102)	220,335
Total Funds Brought Forward		527,501	61,513	589,014	368,679
Total Funds Carried Forward		311,862	76,050	387,912	589,014

All incoming resources and resources expended derive from continuing operations

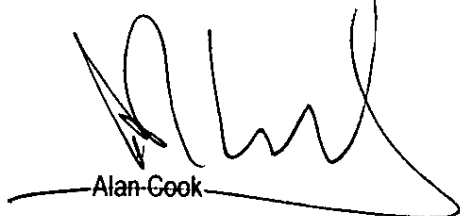
The Statement of Financial Activities includes all gains and losses recognised in the year

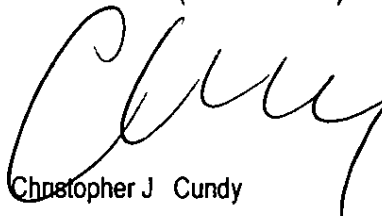
The notes on pages 16 to 24 form an integral part of these accounts.

Action for M.E.
Balance Sheet
as at 31st March 2012
(Company Registered Number 2906840)

	Notes	2012 £	2011 £
Fixed Assets			
Tangible Assets	7	<u>11,516</u>	<u>12,503</u>
Current Assets			
Stock	8	-	1,222
Debtors	9	49,258	68,585
Cash at Bank and in Hand		<u>373,003</u>	<u>552,511</u>
		<u>422,261</u>	<u>622,318</u>
Creditors: amounts falling due within one year	10	<u>(45,865)</u>	<u>(45,807)</u>
Net Current Assets		<u>376,396</u>	<u>576,511</u>
Total Assets less Current Liabilities		<u>387,912</u>	<u>589,014</u>
Net Assets		<u>387,912</u>	<u>589,014</u>
Capital and Reserves			
Unrestricted Funds			
General Funds	11	253,116	465,020
Designated Funds	11	<u>58,746</u>	<u>62,481</u>
		311,862	527,501
Restricted Funds	12	<u>76,050</u>	<u>61,513</u>
Accumulated Funds	11	<u>387,912</u>	<u>589,014</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008)


Alan Cook
Director & Trustee


Christopher J Cundy
Director & Trustee

Approved by the Trustees on 6th September 2012

The notes on pages 16 to 24 form an integral part of these accounts.

1 Accounting Policies

The accounts have been prepared under the historical cost convention on a going concern basis and in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective 2008, the Statement of Recommended Practice (the SORP) issued by the Charity Commissioners for England & Wales (effective 2005) The accounts have been drawn up in accordance with the provisions of the Charities Act and the Companies Act 2006

The particular accounting policies adopted are set out below

Fund Accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes The aim and use of each designated fund is set out in the notes to the accounts

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have raised by the charity for particular purposes The aim and use of each restricted fund is set out in the notes to the accounts

Deferred Income

In accordance with the Statement of Recommended Practice (the SORP) issued by the Charity Commissioners for England & Wales, grants received in advance and specified by the donor as relating to specific accounting periods are deferred on an accruals basis to the period to which they relate Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts

Recognition of Liabilities

Liabilities are recognised on the accruals basis

Incoming Resources

Incoming resources, including bank interest receivable, are accounted for on a receivable basis when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy Donated services and facilities are included as voluntary income at their estimated value to the charity when received, and under the appropriate expenditure heading depending on the nature of the service or facility provided Time donated by volunteers is not recognised in the financial statements as this cannot be reliably valued For Legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received Deferred income, where appropriate, is described above

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources Support costs are allocated to operational and fundraising functions on the basis of their use of central support services

Grants payable are payments made to third parties in furtherance of the Charity's objectives Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition or, when the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Charity Where a grant includes specific performance terms, grants payable are recognised as performance milestones are met

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 or the amount of the grant

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the 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

1 Accounting Policies (Cont'd)

Support costs include all expenditure not directly related to charitable activity. The Trustees have applied what they consider to be reasonable judgements in apportioning such costs between direct charitable costs and support costs. The central office functions such as general management, payroll administration, budgeting and accounting, information technology, human resources and financing, are allocated across the categories of charitable expenditure and the costs of generating funds. The basis of the cost allocation has been explained in note 4 to the accounts.

Governance costs are the costs associated with the governance arrangements of the Charity which relate to the general running of the Charity as opposed to those costs associated with fundraising or charitable activity. Included within this category are the cost of audit fees and costs linked to the strategic management of the Charity.

Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Items of less than £500 are not capitalised.

Depreciation has been provided at the following rates in order to write off cost of the assets (less their expected residual value) over their estimated useful economic lives:

An annual review of the likelihood of asset impairment is undertaken.

Office Equipment 25% on the straight line method

Pensions

The Charity operates an occupational pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. The scheme is a defined contribution scheme.

Taxation

The Charity operates a partial-exemption method for the recovery of certain VAT. Unrecoverable VAT is included in support costs.

Stock

Stock is valued at the lower of cost or net realisable value.

Operating Lease Agreements

Rentals applicable to operating leases when substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2 Net Incoming Resources	2012	2011
	£	£
This is stated after charging:-		
Depreciation of owned fixed assets	4,992	7,178
Auditor remuneration	4,300	6,000
Trustees' expenses	3,315	1,472
Pension costs	7,019	7,507

Funds belonging to the Charity have been used for the purchase of insurance to protect the Charity from loss arising from the neglect or defaults of its employees or agents, acting as such, or to indemnify the employees, acting as such, against the consequences of any neglect or default on their part. This does not cover any employees who are also trustees in their capacity as Trustees and acting as such. The sum expended on such insurance for the year to 31st March 2012 was £995 (2011: £972).

Action for M.E.

Notes to the Accounts

for the year ended 31st March 2012

3 Details of Incoming Resources

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2012	2012	2012	2011
	£	£	£	£
Voluntary Income				
Trusts & Companies	60,000	83,630	143,630	227,700
Donations & Appeals	171,223	50,596	221,819	266,022
Legacies	82,173	-	82,173	336,053
Tax Recoverable	39,855	6,250	46,105	51,067
Google Adwords donated service	23,867	-	23,867	-
Grant Income S 16b Scottish Exec	-	5,000	5,000	-
Grant Income Scottish LTCAS	-	14,340	14,340	31,840
	377,118	159,816	536,934	912,682

At 31st March 2012, in addition to the legacy income recognised above, the Charity had received notification of a legacy from an estate which had not been submitted for a grant of probate. Timing of receipt of the cash was therefore assessed as unpredictable by the Trustees. The Charity's future income from this legacy is estimated at £125,000 (2011: £nil).

Activities for Generating Funds

Christmas Cards	11,792	-	11,792	12,255
Supplement Commission	4,146	-	4,146	4,031
Merchandise	13,963	-	13,963	335
Events	-	-	-	80,100
	29,901	-	29,901	96,721

Incoming Resources from Charitable Activities

Subscriptions	111,234	-	111,234	101,233
Charity Journal	6,118	-	6,118	6,101
Information and Publications	3,391	-	3,391	4,977
	120,743	-	120,743	112,311

4 Resources Expended

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2012	2012	2012	2011
	£	£	£	£
Costs of Generating Voluntary Income				
Staff Costs	99,841	-	99,841	95,033
Direct Fundraising Costs	59,041	-	59,041	36,387
Support Costs - see note on next page	74,103	-	74,103	70,595
	232,985	-	232,985	202,015

Direct Fundraising Costs includes £23,867 (2011: £nil) for the value of the Google Adwords donated service.

Action for M E
Notes to the Accounts
for the year ended 31st March 2012

4 Resources Expended (cont'd)

	Unrestricted Funds	Restricted Funds	Total Funds	Prior Period Total Funds
	2012 £	2012 £	2012 £	2011 £
Charitable Activities				
Campaigning and PR	205,134	17,340	222,474	208,058
Information and Services	254,515	84,145	338,660	353,949
Research	4,265	43,794	48,059	60,294
	463,914	145,279	609,193	622,301

Activity	Activities Undertaken Directly	Support Costs - as Below	Total £
Campaigning and PR	135,779	69,355	205,134
Information and Services	140,329	114,186	254,515
Research	(1,800)	6,065	4,265
	274,308	189,606	463,914

Support Costs	Directorate	Finance	Property Management	Office Management	IT	Total £
Campaigning and PR	15,162	17,308	12,537	16,090	8,258	69,355
Information and Services	24,963	28,496	20,641	26,490	13,596	114,186
Research	1,326	1,514	1,096	1,407	722	6,065
	41,451	47,318	34,274	43,987	22,576	189,606
Fundraising	16,201	18,493	13,395	17,190	8,824	74,103
	57,652	65,811	47,669	61,177	31,400	263,709

Central Support Costs are allocated as follows

Directorate, estimated time spent on operational activities allocated according to number of staff per activity,

Finance, allocated according to number of office based staff per activity,

Property Management, allocated according to number of staff per activity,

Office Management, allocated according to number of staff per activity,

IT allocated according to number of office based staff per activity

	2012 £	2011 £
Governance Costs		
Administrative Salaries-based on time spent	23,061	24,365
Indemnity insurance for trustees	995	972
Governance Training	1,073	2,355
Trustees' Expenses	3,315	1,472
Meeting Room hire & Refreshment costs	727	626
Auditors' fees	4,300	6,000
Professional Fees	35	35
	33,506	35,825

Action for M E.

Notes to the Accounts

for the year ended 31st March 2012

4 Resources Expended (cont'd)

Grant Activities

	2012	2011
	£	£
Grants made by the Charity during year all related to research projects and were all to institutions		
London School of Hygiene and Tropical Medicine-Post Mortem Tissue Archive	24,500	13,559
London School of Hygiene and Tropical Medicine-ME Observatory	-	345
	<u>24,500</u>	<u>13,904</u>
University of East Anglia-ME Observatory	-	32
University of Hull-ME Observatory	-	1,660
Bristol University-National Outcomes Database	9,158	20,000
	<u>33,658</u>	<u>35,596</u>

This grant funding is included in Research expenditure which also includes supports costs related to grant making

5 Investment Income

	2012	2011
	£	£
Interest from Cash Investments in the UK	1,732	2,266
Interest from Gift Aid & Covenants	23	29
	<u>1,755</u>	<u>2,295</u>

6 Staff Costs and Emoluments

	2012	2011
	£	£
Gross Salaries	455,964	458,189
Employer's National Insurance	42,712	43,476
Pension Contributions	7,019	7,507
	<u>505,695</u>	<u>509,172</u>

Numbers of full time employees or full time equivalents

	2012	2011
	Number	Number
Engaged on Charitable Activities	9	8
Engaged in Fundraising Activities	4	4
Engaged on Management and Administration	4	4
	<u>17</u>	<u>16</u>

The number of employees whose emoluments as defined for taxation purposes amounted to

	2012	2011
	Number	Number
£70,001 - £80,000	1	1

	2012	2011
	£	£
Pension Contributions	-	-

Trustees Expenses

Trustees are reimbursed for out of pocket expenses for travelling to meetings, telephone calls together with direct costs relating to fund raising activities

	2012	2011
	£	£
	<u>3,315</u>	<u>1,472</u>
	Number	Number
Number of Trustees Reimbursed for Expenses	<u>5</u>	<u>3</u>

The Trustees neither received nor waived any emoluments during the year (2011 Nil)

Action for M.E
Notes to the Accounts
for the year ended 31st March 2012

7 Tangible Fixed Assets

	Office Equipment £
Cost	
At 1st April 2011	38,170
Additions for Year	4,005
Disposals	(9,649)
At 31st March 2012	<u>32,526</u>
Depreciation	
At 1st April 2011	25,667
Charge for the Year	4,992
On Disposals	(9,649)
At 31st March 2012	<u>21,010</u>
Net book value	
At 31st March 2011	<u>12,503</u>
At 31st March 2012	<u>11,516</u>

8 Stock	2012	2011
	£	£
Stock of Christmas Cards	-	1,222
	<u>-</u>	<u>1,222</u>

9 Debtors	2012	2011
	£	£
Trade Debtors	17,125	3,795
Other Debtors	6,387	44,856
Prepaid Expenses	25,576	18,994
Due from HMR&C	170	940
	<u>49,258</u>	<u>68,585</u>

10 Creditors, amounts falling due within one year	2012	2011
	£	£
Trade Creditors	22,226	20,748
Accrued Expenses	9,451	8,826
Unpaid Pension Contributions	1,736	1,451
Other Taxation and Social Security Costs	12,101	13,679
Receipts in Advance	351	1,103
	<u>45,865</u>	<u>45,807</u>

11 Funds

(a) Statement of unrestricted funds

	General Funds	Designated Funds	2012 Total
	£	£	£
Balance at 1 st April 2011	465,020	62,481	527,501
Transfer between funds	3,735	(3,735)	-
Deficit for Year	(215,639)	-	(215,639)
Balance at 31 st March 2012	253,116	58,746	311,862

(b) Analysis of net assets between funds

	Tangible Fixed Assets	Net Current Assets	2012
	£	£	£
Unrestricted Funds,			
General Funds	11,516	230,084	253,116
Designated Funds	-	58,746	58,746
	11,516	288,830	311,862
Restricted Funds	-	76,050	76,050
	11,516	364,880	387,912

(c) Funds designated by the Trustees

	Opening Balances	Incoming Resources	Outgoing Resources	Closing Balances
	£	£	£	£
Legacy Development	56,595	-	(20,332)	36,263
Cathery/Research Fund	824	20,250	-	21,074
IT Infrastructure	3,662	-	(3,653)	9
Children Project	1,400	-	-	1,400
	62,481	20,250	(23,985)	58,746

Legacy Development The Charity receives legacies, that, by their very nature, are difficult to predict. The Trustees have decided in the past to designate an amount of around 10% of any such sums received, to be used to promote and sustain this income stream. Legacies to the value of £82,173 were received in the year to 31st March 2012, but no funds were transferred to designated funds.

Cathery/Research Fund This year Trustees elected to set aside 25% of legacy money received to bolster funds available for research. Funds will be used to support several new pilot research projects to be initiated next year.

IT Infrastructure A donation of £25,600 from Mr McMonigall, has been designated by the Trustees for the improvement of the infrastructure of the IT function. Equipment costing £3,653 has been obtained using this fund during 2011/12.

Children Project £1,400 was previously donated at a Dragonfly Dinner to enable the Charity to consider what it could be doing for children with M E.

12 Restricted Funds

Movements in restricted funds

Revenue Restricted funds	Opening Balances	Incoming Resources	Outgoing Resources	Closing Balances
	£	£	£	£
Youth Outreach Project	5,748	-	(794)	4,954
Research	22,054	56,846	(43,794)	35,106
Welfare Line	2,992	21,750	(21,160)	3,582
AfME Services	1,489	15,330	(9,821)	6,998
Online ME Centre	17,073	35,600	(39,190)	13,483
Telephone Support Services	-	10,950	(9,681)	1,269
Young Persons Services	3,500	-	(3,500)	-
Scottish Executive 16b	-	5,000	(315)	4,685
LTCAS	8,157	14,340	(16,524)	5,973
Scotland Fund	500	-	(500)	-
Total movement in revenue restricted funds	61,513	159,816	(145,279)	76,050

Youth Outreach Project This project has created an online support network to help young people with M E at colleges and universities who face a unique set of challenges and difficulties

Research Donations are regularly received from donors wishing to see advances in research. Two pilot studies have been supported in part from this fund. The National Outcomes Database and The Tissue Bank Archive

Welfare Line Action for M E provides a range of services for those with M E. The Welfare Rights Line provides an essential service helping people with M E negotiate the intricacies of our welfare state

AfME Services Action for M E provides a range of services for those with M E. These include a telephone support and welfare lines, a website, member services and a charity journal. Funds received from several sources will facilitate the ongoing work of these services

Online M E Centre Action for M E provides a range of services for those with M E. One of these is our Online M E Centre which was formally launched during the year

Telephone Support Services Action for M E provides a wide range of information. One route is via the Telephone Support Line which is available to anyone. This service continues to grow and provides excellent support to the M E community

Young Persons Services These funds have been used to improve and update our young persons area on our website for children and their parents and carers with responsibility for them

Scottish Executive 16b Funds granted for further development work on the Scottish hub section of our Online M E Centre

LTCAS A previous year grant from the Scottish Self Management Fund to help develop a Local & National M E Information and Support Network for Scotland via a website. Received further funding during the year to investigate whether Skype use could benefit people with M E

Scotland Fund Donation used to help fund our work with the Scottish Cross Party Group of MSP's

▸ Action for M E

Notes to the Accounts

for the year ended 31st March 2012

13 Operating Leases

At the year end the Charity had annual commitments under non-cancellable operating leases as set out below

	2012 £	2012 £	2012 £	2011 £
	Office Equipment	Land & Buildings	Total	Total
Operating leases which expire within one year	-	-	-	-
within two to five years	3,583	24,000	27,583	24,000
	<u>3,583</u>	<u>24,000</u>	<u>27,583</u>	<u>24,000</u>