

Meningitis Research Foundation

(A company limited by guarantee)

Company No 04367866

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Financial Statements for the year ended

31 March 2017



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Foreword

Thanks to the wonderful support we receive from the public, our members, private businesses, trusts, foundations, and governments, 2016-17 has been very successful both financially and strategically, as we hope you will see when you read through our report for the year.

A tremendous 25% increase in revenues meant we were able to invest more in research, with a new series of grants added to our ongoing portfolio of 19 live projects with an investment of over £2 million.

We continued to make the case for protecting everyone from this dreadful disease, in particular by successfully advocating for a new study on the impact of the Meningitis B vaccine on UK teenagers, an especially vulnerable group.

We also kept advocating for fairer access to vaccines. We believe the government's way of deciding if a new vaccine is cost-effective or not is wrong and unfair. We're trying to change this.

We continued to support and inform people by phone, email, and in person, including directly in university campuses where there have recently been several very unpleasant clusters of cases.

Our international work grew during the year and now covers a wider range of activities than before, including directly better diagnosis and treatment in rural clinics in Malawi, promoting better global awareness of meningitis and sepsis with the Confederation of Meningitis Organisations (CoMO), and identifying particular patient groups in Europe who can help advocate for better access to meningitis vaccines in their various countries.

After extensive consultation and feedback, we launched our new brand identity developed with the help of pro bono consultancy. People told us it was time for us to highlight the new energy behind our work, and to demonstrate the many other things we do in addition to research. The microscope lives on as the icon representing our research, but overall we are now represented by the MRF 'spark'.

As an organisation we grew stronger too. We developed a new three-year strategy and introduced a new structure which will focus, strengthen, and expand the whole range of our work.

All in all, we believe we are heading in the right direction in order to fulfill the trust and hopes placed in us by the very many individuals, groups, and organisation that have given of their time, expertise, stories, money, and so much more.

To you all, a huge thank you.



Dr Brian Scott
Chair of Trustees



Vinny Smith
Chief Executive

Trustees annual report

The disease, and its impact on people around the world

Meningitis and septicaemia can affect anyone of any age, but the risk is highest in babies, children and young adults. It strikes without warning, affecting mainly healthy children, and for decades parents in the UK have named meningitis as the disease they most fear.

The latest data available suggests that globally approximately 380,000 deaths were caused by meningitis in 2015 and over 1 million more are likely to have survived who now live with the after effects. It remains the world's sixth largest infectious disease killer and sepsis/meningitis is the third biggest killer of neo-nates (under 1 month old).

The highest burden of meningitis in the world is in an area known as the meningitis belt which spans 26 countries in sub-Saharan Africa. In that region, epidemics of meningitis remain a real threat today. 2015 saw an epidemic that exceeded 11,000 cases due to MenC which had not been recorded in that region since the 1970's. The largest outbreak of pneumococcal meningitis ever seen occurred in Ghana in 2016. Nigeria has had a significant outbreak in 2017 with a total of 5,695 suspected cases reported as of April, and 611 deaths recorded. Though populations are protected from MenA, the bacteria are still circulating and could return over time if routine schedules are not adopted. The transition to routine vaccinations following the Meningitis Vaccination Project has not progressed as planned.

Although the UK has seen a fall in rates over the past 20 years due to successful vaccination programmes, we know it is still a leading cause of infant death, and children under 3 months of age are 70 times more likely to get the disease than older children and adults.

The disease acts at lightning speed and can kill within 12 hours. The most severely affected survivors have such profound damage that they are never able to lead independent lives - no other illness produces such mutilating injuries.

This is a disease that with time, resources, and collaboration between many agencies can be beaten. Meningitis Research Foundation exists to represent the desire to make this happen by focusing resources and attention on the things that will bring about this change.

Strategy

In prior years the Trustees have worked to a rolling 5-year strategy that is reviewed annually. This year we developed a new 3-year strategy with short term goals to 2020 and long term goals to 2030 to better reflect our shorter term priorities and our future direction. We developed this new strategy to ensure we focus our work on what needs to happen to defeat meningitis as seen through the eyes of an individual person or patient.

Our new strategy retains our vision of a world free from meningitis and septicaemia. Our mission is to defeat meningitis and septicaemia wherever they exist. Our role is to support research into, advocate for, and take action towards the defeat of meningitis and septicaemia.

Programmes

The strategy is delivered through three programmes. The aims and goals of these are set out in the three tables below along with the role we will play in delivering them.

Programme 1 Prevention	
Aim	To see fewer people get meningitis and septicaemia in the first place.
2030 Goal	Effective vaccines for epidemics and in routine schedules are in place to protect people most at risk within populations.
2020 Goals	<ul style="list-style-type: none"> • To support ongoing research into better ways to improve prevention of meningitis. • To secure a global commitment and plan to eliminate meningitis with vaccines at its core.
Our role	To fund, promote and undertake research into vaccines and advocate for effective vaccine policy and financing in the UK and Republic of Ireland as well as at a global and country level.
Programme 2 Diagnosis and Treatment	
Aim	To see more people survive with a better quality of life and reduced disability.
2030 Goal	Patient pathways exist that enable accurate, rapid diagnosis and appropriate treatment of meningitis and septicaemia.
2020 Goals	<ul style="list-style-type: none"> • To be working with partners in the UK, Republic of Ireland and 3-5 countries in sub-Saharan Africa on strengthening the patient healthcare pathway. • To maintain and develop our work in Malawi.
Our role	To fund, promote and undertake research into effective diagnosis and treatment as well as carry out targeted projects with suitable partners to strengthen patient pathways in countries with high burden of disease.
Programme 3 Engagement, Support and Information	
Aim	To have more engaged, informed and supported patients and communities.
2030 Goal	People and communities are cared for and have their voice heard within the health system to make it responsive to their needs.
2020 Goals	<ul style="list-style-type: none"> • To maintain our strong UK and Republic of Ireland patient voice. • To have established new partnerships at both a global level and country level directly with at least 10 patient representatives or groups in Sub-Saharan Africa.
Our role	To help our members and supporters and ensure their voice is heard in the UK and Republic of Ireland policy process as well as reach out to other like-minded patient groups in settings where burden of disease is high to help ensure their communities play an active role in the fight against the disease and after effects.

Work streams

We deliver each programme through three work streams: Research, Advocacy, and Action.

Work stream 1: Research	
We will fund and promote research into:	
Prevention	<ul style="list-style-type: none"> • New vaccines • Optimising the use of existing vaccines • The global and country burden of meningitis • Strengthening the patient care pathway
Diagnosis and treatment	<ul style="list-style-type: none"> • Rapid diagnosis • Effective diagnosis and treatment • New technologies supporting rapid diagnosis, treatment and evidence gathering • Improving healthcare-worker recognition and prioritisation of meningitis symptoms • Strengthening the patient care pathway
Engagement, support and information	<ul style="list-style-type: none"> • Meningitis awareness • Health-seeking behaviours • Effectiveness of information provided for patients and families • Lifetime impact of meningitis and sepsis • The role of community involvement and engagement in improving the healthcare pathway • The role of community involvement and engagement in improving long term support for people living with the after effects of meningitis • Strengthening the patient care pathway
Work stream 2: Advocacy	
We will advocate for the changes we want to see in the world on behalf of people and patients everywhere	
Prevention	<ul style="list-style-type: none"> • Improving the patient pathway • Fairer rules that govern vaccine access • A global plan for meningitis with vaccines at its core • The introduction of new and effective vaccines • Maximum possible protection from available vaccines • Maintenance of beneficial vaccine programmes • High quality studies into burden of meningitis
Diagnosis and treatment	<ul style="list-style-type: none"> • Improving the patient pathway • Improved access to rapid diagnostics • Better 'safety netting' for people sent home on first presentation • Improved training of health workers. • Improved tools for health workers to use for prioritisation of meningitis • Improved data to provide a clearer picture of meningitis so that meningitis diagnosis and treatment efforts can be improved

Engagement, support and information	<ul style="list-style-type: none"> • Improving the patient pathway • Better patient and family information and support services • Patient and community involvement in defining the healthcare pathway that meets their needs
Work stream 3: Action	
We directly undertake work ourselves to ensure we can meet our goals	
Prevention	<ul style="list-style-type: none"> • Analysis of the decision making frameworks influencing access to vaccines • Synthesis and communication of latest available data on disease burden • Communication campaigns to increase uptake of available vaccines • Making available data on global burden of the disease easier to access and use • Making the potential policy implications of the available data useful for decision makers • Sharing evidence on barriers to vaccine uptake; why outbreaks occur even in countries with routine vaccination programmes; and barriers to effective emergency response at a country level
Diagnosis and treatment	<ul style="list-style-type: none"> • Communication campaigns to make people aware of signs and symptoms and encourage them to seek medical help. • Provide effective information and tools for healthcare workers. • Share and promote the latest evidence for improving diagnosis and treatment to key stakeholders and policy makers. • Support healthcare worker training on effective recognition, prioritisation, diagnosis and treatment of suspected meningitis cases with national research partners • Collect data and share the evidence base of what works in health systems that effectively optimise meningitis treatment
Engagement, support and information	<ul style="list-style-type: none"> • Provide personal support to the public in the UK and Ireland who need it in times of crisis • Provide ongoing personal help to our supporters and members as they live with the after effects of the disease • Reach out to civil society patient groups, primarily in meningitis belt countries, to establish new partnerships for knowledge sharing • Continue to ensure that survivors, their families and communities can access the information and the support they need • In the meningitis belt, we will set up information and best-practice sharing partnerships with patient groups

Foundations

This strategy is underpinned by our three foundations of evidence, partnership and sustainability. This means we will ensure robust data is available in order to implement effective, sustainable solutions for a world free from meningitis. We will bring together experts and coordinate knowledge to advocate for change. And we will think long term from the start.

Funding

To deliver our programmes we will continue to develop our business model to ensure we have the funds and resources necessary. Our long term strategy is to increase the proportion of our income generated through grants, corporations, trusts and foundations whilst maintaining a highly active public fundraising programme.

Values

All our work is underpinned by our organisational values:

- We are evidence-led
- We operate with integrity
- We pursue our goals with determination
- We are a passionate advocate
- We collaborate to make progress
- We act with compassion

Social responsibility

The charity carries a range of policies which set out its approach to its wider social and moral responsibilities both internally and externally.

In doing so, consideration is always given to the charity's values.

Policies include environment, equality and diversity, good fundraising practice, and the protection of vulnerable persons.

With respect to vulnerable persons, the charity does not seek to provide services directly to children or other vulnerable people. Nevertheless the need to ensure appropriate awareness and responsiveness at all times (including with respect to fundraising) is recognised and the charity maintains a policy for the protection of vulnerable persons, providing guidance to staff, and monitoring activities appropriately.

Public benefit

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit when setting objectives and planning activities.

Principle areas of public benefit arising from the work of the charity are the advancement of health, the saving of lives, and the relief of those in need, as expressed by our three programmes of Prevention, Diagnosis and Treatment, and Engagement, Support and Information.

Aims, Objectives and Results 2016/17

Significant activities

The following tables show our key list of operating objectives for 2016-17 along with an analysis of our performance against each:

Charitable objective	Result
Fund existing research commitments of £220k and fund a new research round of £150k in year 1 with implied commitments of £450k over 3 years.	Achieved.
UK government commitment to MenB study in teenagers.	Achieved. £1.3m of funding committed by government.
Secure a UK government to publish findings of Cost Effectiveness Methodology for Immunisation Policy and Procurement (CEMIPP) report and open up to public consultation.	Commitment given but report subsumed into Appraisal Alignment Working Group (AAWG) working across NHS. Now in consultation with AAWG about making report public.
Secure WHO support for Meningitis in 2030 meeting to start the process of agreeing a global plan to defeat meningitis.	Achieved. WHO collaborated on agenda and attendance.
Support > 100 befrienders	134 befrienders supported.
Support >100 ambassadors	125 ambassadors supported
Hold two research discovery days	Achieved.
Continue to fund and support work in Malawi and produce timely and accurate reports for the Scottish Government in line with budget and log frame.	Complete. All funder progress reports well received; new log frame developed; new MLW contract drafted; new coordinator appointed; CEO visit to Malawi complete and plans developed beyond 2018.
Review website and seek £40k of funding to update by August 2016.	Pro bono support secured for £70k from external web agency to create new website for launch summer 2017.

Regional activity

Much of our charitable and fundraising activity, particularly with respect to communities, is conducted in equal measure across our offices in Bristol, Edinburgh, Belfast and Dublin.

In **Scotland**, highlights include our funding of Health Protection Scotland research into genomic and epidemiological factors of the disease, and our continued work with the support of Scottish Government funding to develop awareness and triage interventions in Malawi.

In **Northern Ireland** MRF was proud to see its meningitis component for Queen's University 2nd year medicine students selected for introduction in the Autumn 2017/18 term.

In **Republic of Ireland** we were pleased to see the Meningitis B vaccine introduced into the Primary Childhood Immunisation Schedule in December 2016. MRF partnered with the Irish Ambulance Institute to train their EMTs.

Financial review

Results in overview

Income has grown 26% in the year to just under £3 million, and the charity funds are £599,000 greater than one year ago. Income streams that started to yield returns in line with our fundraising investment (see below) plan have performed well. Excluding unusually high legacy income our fundraising performed as planned at 12% growth, boosted by excellent performance from student fundraising, especially for our Mount Kilimanjaro expedition, the London Marathon and growth in corporate income.

Expenditure was in line with budget and therefore contributed to our healthy net position. 13% of our expenditure this year went on what most people would call 'overheads'. The Trustees are happy with this position given that reputable organisations such as the Bill & Melinda Gates Foundation and the Ford Foundation see a range of 15-20% as acceptable.

To ensure we continue managing our finances responsibly we keep a close eye on some key indicators. This report shows that 68% of our total expenditure now goes on charitable activities – a rise from 65% in 2015.

To keep income growing, 32% of our expenditure went on raising new funds. This reflects the start of our investment phase in fundraising started in 2015. Eventually a more stable profile could be lower, though next year we could go up again before we come down.

These accounts also align our finances to our new strategy approved by the Board this year, and so allocation of charitable expenditure has been reviewed and restated for the prior year.

Our work is now global in nature and focuses on defeating meningitis wherever it exists. Across our programmes we can now see that of our charitable expenditure this year we spent 28% on our prevention programme; 44% on diagnosis and treatment programme; and 28% on public engagement, support and information. Trustees believe this represents a good spread across all areas of our strategy and note that Diagnosis and Treatment is the highest given our large grant-funded programme in Malawi is largely focused on this area.

Significant events affecting performance

In line with our strategy, income from institutional funders was higher than normal, and has contributed to an increase in restricted funds, which will be expended in the following year contributing to anticipated increased charitable expenditure and a small planned deficit in 2017-18.

Income from legacies in particular was approximately £300,000 higher than normal, which is not anticipated in the coming year.

Investments also performed extremely well due to the economic climate. Again, this is not expected to happen in the following year, and the trustees have reduced the charity's exposure to the equities market.

Fundraising

Our business model is to raise funds from a diverse mixture of sources including the public, governments, trusts, and companies. The majority of our income is from voluntary sources, mainly the public. The Board always aims to maintain a mixture of investment in existing income streams and the development of new ones.

The Trustees are mindful of recent high profile and negative events relating to charity fundraising. The charity has paid the voluntary levy to the new Fundraising Regulator and signed up to the Fundraising

Preference Service launching in July 2017, which will enable members of the public to suppress communications from charities of their choice with ease.

Notwithstanding any statutory regulation or self-regulation by the sector, the charity is committed to meeting and exceeding the expectations of the public and all other stakeholders when it comes to ethical and fair dealings. Meningitis Research Foundation continues to be focussed on developing good governance, being fully accountable, and increasing transparency wherever possible.

Key fundraising goals and results for the period included:

Fundraising goal	Results
Raise £2.5million in new income.	£2.9m raised.
Increase London marathon from 50 to 90 places.	100 places filled.
Conduct a new campaign with existing supporters to encourage them to become regular givers.	New fundraising regulations within year significantly reduced anticipated call volumes available therefore programme significantly less successful than budget.
Conduct a new appeal to encourage people to support the deployment of a mobile laboratory in Africa.	Activity carried out but lower response rate than forecast albeit offset with a higher average gift than planned.
Generate £50k of new grant funding to start a programme of events on the theme 'Meningitis and the sustainable development goals.'	Secured £90k of new funding for new international meeting called 'Meningitis in 2030'.
Where sustainable and strategically aligned, implement recommendations of fundraising review due for completion in March 2017.	New team structure in place to support growth; new emphasis on corporate, trusts and major gifts.
Review website and seek £40k of funding to update by August 2016.	Pro bono support secured for £70k from external web agency to create new website for launch summer 2017.

Our **community fundraising** programme has grown with the vital support of our many members and supporters.

Our running programme included over 600 people in events across the UK and Ireland. London Marathon was our biggest growth area with a record number of signups in the year leading to 116 runners. There 115 runners representing us in the Great North Run. We extended our portfolio to add the Richmond Marathon and the "Big Half", organized by the London Marathon, of which we are one of only 5 charity partners.

University fundraising had an excellent year with nearly 200 students completing our Kilimanjaro challenge and a record breaking London Loot street collection raising £53,000. The charity now works with 11 Rags.

We are very grateful to all the **companies** who have supported us through generous gifts in kind, corporate donations, payroll giving, charity of the year relationships and by supporting their staff to fundraise for us. In particular this year we would like to acknowledge the significant support of - Clarke Willmott LLP, STR Global, HSBC Private Bank (UK) Ltd, Pfizer Ltd, GlaxoSmithKline plc,

Sanofi Pasteur MSD Ltd, The London Prosthetic Centre, Ossur UK, Blatchford, Marks and Spencer Ayrshire, The Dome Edinburgh, John Lewis, Debenhams, Next, Centrica, Sunlife Financial of Canada, Pilkington, Mazars LLP, Norwich & Peterborough Building Society, Royal Bank of Scotland, Silverfleet Capital, Veale Wasbrough Vizards, Vitra (Uk) Ltd.

The charity is increasing its profile with corporate donors and this is showing early signs of success. In keeping with our values and principles of transparency, we are developing clear memoranda of understanding with significant corporate partners which will be made available on our website.

Income from **trusts and foundations** is also growing and we would like to acknowledge our gratitude to the following in particular: Barcaple Foundation; Clemmie Nicholson Foundation; Souter Charitable Trust; The Robert McAlpine Foundation, Hospital Saturday Fund, David & Ruth Lewis Family Charitable Trust.

Grants were received from the following statutory bodies: Department of Health Northern Ireland; Public Health Agency Northern Ireland; Public Health England; Scottish Government International Development Division; Dept of Health Republic of Ireland; Health Service Executive Republic of Ireland.

Fundraising investment

In 2016 the trustees agreed an investment to improve fundraising performance over a 3-year period. A net gain was not planned within the first 12 months, with an expectation that returns will come into effect in years two and three, producing a net gain of £93,000 by the end of 2018-19.

Reserves

The trustees have considered reserves, with a focus on net free reserves, defined as unrestricted reserves less any designated funds and the value of tangible fixed assets.

Designated funds are held to ensure the charity can meet its full commitments to research grants awarded.

The aim of the reserves policy is to ensure the charity and its activities are reasonably protected from unexpected financial risk, and to provide some capacity for unplanned expenditure in the event of unexpected financial risk. This could include:

- Unexpected decrease in funding streams or increase in funding costs
- Working capital required to meet cashflow needs
- A specific requirement to meet unexpected one-off expenditure impacts.

Reserves target

The trustees agreed that a level of net free reserves sufficient to meet 3 months' overheads and fundraising costs was an appropriate target, with a tolerance of plus or minus 10%. Given the budget for 2017/18 this puts the target range for free reserves at £529,000 to £646,000.

Reserves position

Currently, the total funds of the charity stand at £1,956,854. After subtracting restricted funds of £455,269, designated funds set aside for research grant obligations that are currently not recognised as expenditure (as explained in note 17 of the accounts), and tangible fixed assets of £77,171, the net free reserves are £655,572 which is just over the target range.

The trustees are satisfied with this position and future financial planning will aim to maintain a strong reserves position. However the charity expects to run an acceptable deficit in the year 2017-18, funded from restricted funds, designated funds, and free reserves and this will bring net free reserves back into the target range.

Investments

The Board's policy is to hold available reserves in short to medium term investment portfolios, having regard to acceptable levels of risk and return. The objectives are to maintain a secure level of reserves for the charity while achieving growth in the capital of the charity. The Board wishes to adopt a medium risk approach, while complying with the Trustee Investment Acts.

During the period, investments performed exceptionally well, generating gains of £277,413 and income of £49,587.

After consideration of the reserves position at year end, the strong cash position, and the ability to return investments to cash at short notice if required, the trustees subsequently agreed at the AGM of 19th July 2017 to adjust the balance of funds held in investments to £655,000, being the sum of the net free reserves.

This represents a significant reduction in investments and the trustees do not anticipate performance being as high as the last period.

The trustees have given consideration to ethical issues or conflicts with respect to the purposes of the charity, or any reputational risk. Therefore the trustees exclude investment in companies with the following characteristics:

- Engaged in the manufacture and trading of arms
- Engaged in the manufacture of tobacco and related products
- Engaged in the research and manufacture of vaccines.

Risk

The Board has responsibility for overseeing risk management within the organisation as a whole, and determining the level of risk appetite for the organisation. In developing the approach to risk management, the Board has had due regard for the Charity Commission's guidance on risk management for trustees.

The Chief Executive and the senior management team supports, advises and implements policies approved by the Board. A risk register is maintained by the Chief Executive and reviewed with the senior team and Trustees on a quarterly basis, or sooner by exception if appropriate.

Managers and staff are responsible for encouraging good risk management practice within their area of responsibility and these are recorded and appropriate measures put in place.

The most recent risk review was completed in March 2016. The Trustees confirm that the major risks to which the charity is exposed, have been reviewed and systems established to manage those risks.

Principal risks and uncertainties

Political uncertainty With a small working majority in parliament, the UK government is vulnerable to political delays. This impacts MRF if another election is called leading to a period of purdah followed by uncertainty over Ministerial appointments and will slow down our work to understand and input on UK health policy.

Brexit The impact of Brexit on the sector and on the charity, particularly with respect to income, is still an unknown and will remain so for a prolonged period. Trustees and management will remain vigilant and assess this on a regular basis. This uncertainty underlines the importance of maintaining a strong reserves balance and good financial management processes.

Investments Vulnerability of investments to price variation that could impact on funds required at short notice has been reviewed. Performance will continue to be monitored along with cashflow.

Project and unrestricted funding The strategy of increasing project focused funding will create an increasing requirement for accurate and efficient accounting practice, due diligence, effective and transparent governance, and robust internal systems and processes. The trustees will continue to support operational improvement in these areas.

Reputation The reputation of the charity is extremely important and the trustees are aware of increased scrutiny and expectation across the sector. The charity is preparing for new data protection regulation in May 2018 (GDPR), and ensures its fundraising practice is in line with new regulation. The senior team report to the trustees on all these matters on a quarterly basis.

Cyber security The trustees are aware of the increase in global cyber security breaches in recent months. This, combined with increased data protection regulation due in early 2018 has heightened their awareness and commitment to maintaining robust IT systems. The trustees continue to invest in an ongoing programme of IT upgrade and improvement, along with the review of associated staff policies.

2017-18 Objectives

The key objectives for the charity in the next year are:

- To raise £2.9million in new income on £3.59 million of expenditure.
- To successfully manage a research investment portfolio of £2million across 19 live projects.
- To host and follow up on the 'Meningitis in 2030' meeting and use this platform to start the process for creating a global plan to defeat meningitis.
- To host a successful MRF scientific conference bringing researchers together from around the world to hear latest research results and build their networks.
- To secure a government commitment to publish the final report of the CEMIPP working group.
- To have piloted 3 new international projects and raised at least £50k to support our international work through new grants.
- To further strengthen support for our members and the public through continuation of our helpline, befriender and ambassador work.
- To launch a successful new website.
- To develop new strategies for research and income generation.
- Further invest in our people and programmes including a 2-year programme of development for the senior team working with an external consultant.

Structure, governance and management

Structure and governance

Meningitis Research Foundation is a charity registered with the Charity Commission in England and Wales, with the Office of the Scottish Charity Regulator (OSCR) in Scotland, and with the Charity Regulatory Authority in Ireland holding exemption under Section 207 of the Taxes Consolidation Act 1997. The Board also complies with the Code of Governance for the Voluntary and Community Sector in Ireland.

The charity is constituted as a not-for-profit company limited by guarantee registered in England number 4367866, governed by the Board of Trustees, who are the directors of the company, under a Memorandum and Articles of Association dated 6 February 2002.

Trustees are elected and hold office for three years. They are then eligible for re-election. Trustees have the power to appoint a person who is willing to act to be a trustee for a period of up to one year.

The skill set of the board of trustees is reviewed at least annually against the needs of the charity and where appropriate new trustees are recruited to meet these needs.

New trustees are given an induction covering governance, the charitable objects, strategy, plans, budgets and activities. The Chief Executive delivers on-going training in regulatory and other governance matters.

Trustees review and approve the charity's strategy, plans and budgets, policies and procedures, and ensure the charity fulfils its constitutional functions and meets its legal obligations. Where appropriate, policies and procedures are devolved under terms of reference for consideration by sub-committees appointed by the Board.

The principal subcommittees are the *Finance, HR, and Administration Subcommittee*, and the *Fundraising Subcommittee*, each composed of trustees and attended by members of the senior management team.

The charity is based in Bristol, with offices in Scotland, Northern Ireland, and Republic of Ireland that conduct the activities of the charity in their geographical areas and are part of the administrative machinery of the reporting charity. From time to time the charity may also appoint staff to work in other locations.

Meningitis Promotions Ltd is a wholly owned subsidiary trading company of Meningitis Research Foundation. It is a company limited by shares, registered in England, number 04494027 and governed by a Memorandum & Articles of Association. Its registered office is Newminster House, 27-29 Baldwin Street, Bristol BS1 1LT. David Moëd and Debi Warman, both trustees of Meningitis Research Foundation, are the directors. The company is dormant.

Accountability

Meningitis Research Foundation holds the principles of responsible governance and transparency in high regard and as such is a member/signatory of, or reports to, a wide range of bodies according to the standards set by each. These bodies include but are not limited to:

- The Association of Medical Research Charities
- The Fundraising Regulator
- The Gambling Commission
- The Helplines Partnership
- The Information Commissioners Office
- The Charities Commission, and similar regulators in other relevant jurisdictions.
- The Institute of Fundraising
- The National Council for Voluntary Organisations
- Irish Charities Tax Research
- International Aid Transparency Initiative
- Dochas

Management

The Charity is managed by a Board of Trustees who delegate day-to-day responsibility to the Chief Executive. The Board meets four times each year and has overall responsibility for strategy, finance and risk management. Key decisions are made by recommendations to Trustees who provide the authority for the Executive to take action.

The Chief Executive is assisted by the senior management team which is composed of 6 members: Deputy Chief Executive; Head of Research Evidence and Policy; Head of Advocacy, Communications and Support; Head of International Projects; Head of Fundraising; and Head of Operations. Office managers in Edinburgh, Belfast and Dublin report to the Deputy Chief Executive.

The senior management team meets formally on a monthly basis to review performance against operational plans and to address other issues arising. The senior management team report to trustees on a quarterly basis.

A Scientific Advisory Panel provides guidance to the Trustees on the choice of appropriate research projects for funding. Advisers hold office for six years. A further specialist group provides advice on other projects overseas. The charity also has a Medical Advisory Group to help with clinical questions about meningitis and septicaemia received from people affected, the public and health professionals

Remuneration

Meningitis Research Foundation's policy on remuneration is to ensure it remains competitive with other organisations in similar sectors and geographical areas. The recruitment and retention of able and committed staff is essential to the achievement of the charity's vision and goals. The trustees set the salary of the Chief Executive on an annual basis with this policy in mind.

Volunteers

We are grateful for time given voluntarily in support of our work. In addition to our trustees, and the innumerable members of the public who fundraise on our behalf, we have benefitted from the assistance of 6 office volunteers, contributing a total of approximately 100 working days of time during the year.

Within the communities we serve, we have approximately 250 trained Ambassadors and Befrienders who, on an ad hoc basis, give awareness talks to schools, businesses and community groups, and provide one-to-one support to others affected by the disease in similar ways.

Working in partnership

Our vision of a world free from meningitis can only be achieved by working with a wide range of key partners, and by seeking to extend relationships wherever appropriate.

These partners are found in sectors as diverse as national ministries of health, researchers, clinicians, pharmaceutical companies, other patient groups, and international non-governmental organisations. In the past year we have worked especially closely with Public Health England, the World Health Organisation, Global Meningococcal Initiative, Meningitis Now, GSK, Pfizer, Sanofi-Pasteur, Malawi-Liverpool-Wellcome Trust and the Confederation of Meningitis Organisations, amongst many others.

Within the year we have also signed a Memorandum of Understanding with Lesley-Anne Long who is the Director of the Digital Health Initiative at PATH for her to provide advice to the Board and CEO on strategic development issues.

Relationships are managed by contract and memoranda of understanding wherever appropriate. The charity seeks to be transparent in its dealings and to make information about key relationships available on its website where appropriate and possible.

Reference and administrative details

Board of Trustees

Dr Brian Scott: (Chair)	Martin Vaggers
David Moëd FCA: (Company Secretary)	Mathew Gilbert
Jane Cope MBE	Dr Nick Manson
Prof George Griffin	Stephen Trump
Prof Christoph Tang	Debi Warman

Medical Adviser Prof George Griffin BSc PhD FRCP FRCPath FMedSci

Chief Executive Vincent Smith BA MInstF FRSA

Scientific Advisory Panel

Prof Ray Borrow PhD MRCPPath (Chair)	Prof Robert Heyderman PhD FRCP DTM&H
Prof Ian Feavers BSc PhD (Vice Chair)	Prof Beate Kampmann MD PhD FRCPCH DTM&H
Dr Claire Cameron FFPH	Dr Shamez Ladhani PhD MRCPCH MSc MBBS BSc
Dr Rachel Exley BSc, PhD	Prof Michael Levin PhD FRCPCH FMedSci
Prof Adam Finn MA PhD FRCP FRCPCH	Prof James Stuart MA, MB, FFPH
Professor Paul Heath MB BS FRACP FRCPCH	Dr Caroline Trotter BA MSc PhD

Medical Advisory Group

Professor Ray Borrow PhD MRCPPath (Chair)	Dr Simon Nadel
Professor Adam Finn MA PhD FRCP FRCPCH	Dr Nelly Ninis
Professor Paul Heath MB BS FRACP FRCPCH	Dr Ifeanyichukwu Okike
Professor Nigel Klein BSc MB.BS PhD MRCP FRCPCH	Dr Mary Ramsay MRCP FFPH
Dr Rachel Kneen	Dr Andrew Riordan
Professor Michael Levin PhD FRCPCH FMedSci	Dr Mathew Snape
Dr Fiona McGill	Dr Alistair Thomson
Mr Fergal Monsal	Dr Matthew Thompson

International Advisory Group

Prof Sir Brian Greenwood CBE FRS	Prof David Lalloo MB BS MD FRCP FFTM RCPS(Glasg)
Prof Robert Heyderman BSc MB BS PhD(Lond) FRCP(RCP) DTM&H	Prof Anthony Scott BSc MB FRCP

Senior Management Team

Chief Executive Officer: Vincent Smith BA MInstF FRSA
 Deputy Chief Executive: Diane McConnell
 Head of Research Evidence and Policy: Linda Glennie
 Head of Advocacy, Communications, and Support: Rob Dawson
 Head of International Projects: Michael Fuller
 Head of Fundraising: Ian Beningfield
 Head of Operations: Mike Taylor

Principal Bankers

NatWest Bank, 16 The Plain, Thornbury, Bristol BS35 2QE

Solicitors	Veale Wasbrough Vizards LLP, Narrow Quay House, Narrow Quay, Bristol BS1 4QA	
Auditor	Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD	
Investment Manager	Brewin Dolphin Ltd, 2nd Floor, 5 Callaghan Square, Cardiff CF10 5BT	
Charity Registration Numbers	1091105 in England and Wales SC037586 in Scotland	20034368 in Republic of Ireland
Company Registration Number	04367866	
Head Office and Registered Office	Newminster House 27-29 Baldwin Street Bristol BS1 1LT	+44 333 405 6262 info@meningitis.org www.meningitis.org
Other Offices	<p>Scotland One St Colme Street Edinburgh EH3 6AA</p> <p>Republic of Ireland 64-66 Lower Gardiner Street Dublin 1</p>	<p>Belfast 71 Botanic Avenue Belfast BT7 1JL</p>

Statement of Trustees' Responsibilities

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 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 disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.



Dr Brian Scott, Chair

Signed on behalf of the Trustees

25/9/2017

Independent Auditor's Report to the members and trustees of Meningitis Research Foundation



We have audited the financial statements of Meningitis Research Foundation for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members 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 Trustees' Responsibilities Statement set out on page 19 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the trustees annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charitable company's affairs as at 31 March 2017 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report to the members and trustees of Meningitis Research Foundation



Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

Kingston Smith LLP

Luke Holt (Senior Statutory auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 25/9/2017
Devonshire House
60 Goswell Road
London
EC1M 7AD

Meningitis Research Foundation
Statement of financial activities
for the year ended 31 March 2017



	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income from:					
Donations and legacies	2	1,468,340	690,185	2,158,525	1,676,498
Charitable activities		-	-	-	73,864
Other trading activities	3	715,515	2,052	717,567	544,199
Investments	4	49,047	540	49,587	33,585
Other gains/(losses)		40,039	(21,029)	19,010	6,569
Total		<u>2,272,941</u>	<u>671,748</u>	<u>2,944,689</u>	<u>2,334,715</u>
Expenditure on:					
Raising funds	6	(841,901)	-	(841,901)	(774,396)
Charitable activities	7	(1,377,178)	(403,678)	(1,780,856)	(1,612,275)
Total		<u>(2,219,079)</u>	<u>(403,678)</u>	<u>(2,622,757)</u>	<u>(2,386,671)</u>
Net gains/(losses) on investments	12	277,413	-	277,413	(4,547)
Net income/(expenditure)		<u>331,275</u>	<u>268,070</u>	<u>599,345</u>	<u>(56,503)</u>
Transfers between funds	17	-	-	-	-
Net movement in funds	8	<u>331,275</u>	<u>268,070</u>	<u>599,345</u>	<u>(56,503)</u>
Total funds brought forward	17	1,170,310	187,199	1,357,509	1,414,012
Total funds carried forward	17	<u>1,501,585</u>	<u>455,269</u>	<u>1,956,854</u>	<u>1,357,509</u>

Meningitis Research Foundation
Balance Sheet
as at 31 March 2017



	Note	2017 £	2017 £	2016 £	2016 £
Fixed Assets					
Tangible assets	11		77,171		96,247
Investments	12		<u>1,376,535</u>		<u>1,850,381</u>
			1,453,706		1,946,628
Current Assets					
Debtors	13	643,394		394,615	
Short term deposits	14	400,551		101,818	
Cash at bank and in hand		<u>314,535</u>		<u>181,276</u>	
		1,358,480		677,709	
Creditors: Amounts falling due within one year	15	<u>(855,332)</u>		<u>(1,266,828)</u>	
Net Current Assets/(Liabilities)			<u>503,148</u>		<u>(589,119)</u>
Creditors: Amounts falling due after one year			<u>-</u>		<u>-</u>
Net Assets			<u>1,956,854</u>		<u>1,357,509</u>
Funds					
Restricted funds	17		455,269		187,199
Unrestricted funds:	17				
General fund			732,743		459,437
Designated funds			768,842		710,873
Total unrestricted funds			<u>1,501,585</u>		<u>1,170,310</u>
Total charity funds	17		<u>1,956,854</u>		<u>1,357,509</u>

The notes at pages 25 to 40 form part of these accounts

These financial statements have been prepared in accordance with the special provisions related to companies subject to the small companies regime within Part 15 of Companies Act 2006.

Approved by the trustees on 25/9/2017 and signed on their behalf by:


Dr Brian Scott, Chair

Signed on behalf of the Trustees

Meningitis Research Foundation
Statement of Cash Flows
for the year ended 31 March 2017



	2017 £	2016 £
Cash generated from operating activities		
Net cash provided by operating activities	<u>(345,114)</u>	<u>(259,079)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	49,587	33,585
Proceeds from the sale of property, plant and equipment	-	-
Purchase of property, plant and equipment	(23,740)	(45,044)
Proceeds from the sale of investments	1,168,194	1,062,763
Purchase of investments	<u>(416,935)</u>	<u>(1,819,412)</u>
Net cash provided by/(used in) investing activities	777,106	(768,108)
<i>Change in cash and cash equivalents in the reporting period</i>	<u>431,992</u>	<u>(1,027,187)</u>
Cash and cash equivalents at the beginning of the reporting period	283,094	1,310,281
Cash and cash equivalents at the end of the reporting period	<u><u>715,086</u></u>	<u><u>283,094</u></u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	599,345	(56,503)
Adjustments for:		
Depreciation charges	42,815	24,567
(Gains)/losses on investments	(277,413)	4,547
Dividends, interest and rents from investments	(49,587)	(33,585)
Loss/(profit) on the sale of fixed assets	-	523
Donated tangible fixed assets	-	(35,677)
(Increase)/decrease in debtors	(248,779)	(122,602)
Increase/(decrease) in creditors	<u>(411,495)</u>	<u>(40,349)</u>
Net cash provided by/(used in) operating activities	<u>(345,114)</u>	<u>(259,079)</u>

1 Accounting Policies

Company information

Meningitis Research Foundation is a private company limited by guarantee incorporated in England Wales under the Companies Act 2006. The Address of the registered office is Newminster House, Baldwin Street, Bristol, BS1 1LT. The nature of the company's operations and its principal activities during the year is stated in the Trustees' Annual Report.

Basis of preparation

The accounts have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), published on 16 July 2014. The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable entity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable entity's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable entity has adequate resources to continue in operational existence for the foreseeable future, and there are no material uncertainties. The charitable entity therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods, or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Donated assets are taken to income when donated, at estimated market value. Gifts for fundraising by the charity are recognised by way of the resulting fundraising proceeds.

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.

Legacies are included when the charity is notified of both the existence of a valid will and the death of the benefactor, that receipt of the legacy is more likely than not, and the amount involved can be quantified with reasonable accuracy.

Income (continued)

Grants receivable are accounted for when conditions for receipt have been complied with, and recognised in the period to which they relate. Grants relating to future periods are deferred and recognised in those future accounting periods.

When donors specify that donations and grants, including capital gains, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Income from fundraising events is recognised when the event takes place. Where the charity acts as an agent for events organised by third parties, income is recognised net of any costs that the charity is obliged to pay onward to those third parties.

Income from commercial trading activities is recognised as earned, as the related goods and services are provided.

Investment income is recognised on a receivable basis.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable.

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

Charitable activities expenditure includes both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Staff costs are allocated on the basis of an estimate of the proportion of time spent by staff on those activities, and is reviewed half yearly.

Office costs and property related costs are apportioned on a usage basis that is reviewed annually.

Research grants are payments made to third parties in the furtherance of the charitable objectives of the charity. Single year grants are recognised as liabilities in full once the charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary. Multi-year grants that are conditional on an annual review of progress that determines whether future funding is provided, and for which the charity retains discretion to terminate the grant, are recognised as a liability to the extent the charity has made a commitment to pay the grant instalment and this is communicated to the beneficiary. Multi-year grants that are not conditional on an annual review are recognised as liabilities in full once the charity has made an unconditional commitment to pay the grant and this is communicated to the beneficiary.

Meningitis Research Foundation

Notes to the financial statements

for the year ended 31 March 2017



Pension costs

The charity contributes to the personal pensions of qualifying UK employees through a group personal pension plan, and to a defined contribution scheme for qualifying employees in the Republic of Ireland. The pension charge recorded in these accounts is the amount of contributions payable in the accounting year.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling and recorded at an average rate of exchange for the period. Balances at the year end denominated in a foreign currency are translated into Sterling at the rate of exchange ruling at the balance sheet date. All exchange differences are recognised through the statement of financial activities.

Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The charity adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the charity. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the SOFA during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	25% reducing balance
Office equipment	25% straight line
Computer equipment	33.3% straight line

Investments

Listed stocks and shares are shown at market value at the balance sheet date, being the bid price as advised by the investment manager. The surplus or deficit arising on each annual valuation is credited or debited direct to the statement of financial activities.

The net book profit or loss on realisation of investments is arrived at by comparing the consideration with the market value at the previous year end or the cost if the investments were purchased during the year.

Financial instruments

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Meningitis Research Foundation

Notes to the financial statements

for the year ended 31 March 2017



Fund accounting

Funds held by the charity are:

Unrestricted general funds — these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds — these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds — these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure that meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

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

Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term

Critical estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

The following items are considered to be key estimates:

Donated assets are taken to income at estimated market value, considering the age, condition and utility of the assets. Gifts for fundraising by the charity are recognised by way of the resulting fundraising proceeds. Donated services and facilities are included as voluntary income at their estimated value to the charity.

Governance and support costs are allocated to activity cost categories on a basis consistent with the use of resources. Staff costs are allocated on the basis of an estimate of the proportion of time spent by staff on those activities, while office costs and property related costs are apportioned on a usage basis that is reviewed annually.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Meningitis Research Foundation
Notes to the financial statements
for the year ended 31 March 2017



2 Donations and legacies

	Unrestricted £	Restricted £	2017 £
Year to 31 March 2017			
Donations from members, supporters and general public	640,677	3,605	644,282
Charitable trusts donations and grants receivable	78,661	453,104	531,765
Company donations	111,315	233,476	344,791
Tax recoverable on gift aid	133,533	-	133,533
Gifts in kind	90,698	-	90,698
	<u>1,054,884</u>	<u>690,185</u>	<u>1,745,069</u>
Legacies	413,456	-	413,457
Total donations and legacies	<u><u>1,468,340</u></u>	<u><u>690,185</u></u>	<u><u>2,158,526</u></u>

	Unrestricted £	Restricted £	2016 £
Year to 31 March 2016			
Donations from members, supporters and general public	772,060	57,796	829,856
Charitable trusts donations and grants receivable	68,206	287,825	356,031
Company donations	174,950	26,642	201,592
Tax recoverable on gift aid	119,114	-	119,114
Gifts in kind	95,718	-	95,718
	<u>1,230,048</u>	<u>372,263</u>	<u>1,602,311</u>
Legacies	74,187	-	74,187
Total donations and legacies	<u><u>1,230,048</u></u>	<u><u>372,263</u></u>	<u><u>1,676,498</u></u>

3 Other trading activities

	Unrestricted £	Restricted £	2017 £
Year to 31 March 2017			
Challenge event activity income	255,298	-	255,298
Other fundraising income	460,217	2,052	462,269
	<u>715,515</u>	<u>2,052</u>	<u>717,567</u>
Year to 31 March 2016			
Challenge event activity income	255,760	-	255,760
Other	288,069	370	288,439
	<u>543,829</u>	<u>370</u>	<u>544,199</u>

Meningitis Research Foundation

Notes to the financial statements

for the year ended 31 March 2017



4 Investment income

	Unrestricted £	Restricted £	2017 £
Year to 31 March 2017			
Income from listed investments and unit trusts	48,756	-	48,756
Interest on cash deposits	291	540	831
	<u>49,047</u>	<u>540</u>	<u>49,587</u>
Year to 31 March 2016			
Income from listed investments and unit trusts	18,875	537	19,412
Interest on cash deposits	14,173	-	14,173
	<u>33,048</u>	<u>537</u>	<u>33,585</u>

5 Research Grants

The charity makes grants for research into the causes, prevention, and treatment of all forms of meningitis and associated infections. During the year five grants were made to institutions worth a total of £484,977. 19 (2016: 15) research projects were active, with a combined project value of £2,448,312 (2016: £2,016,633).

Negative expenses arise where grant balances have been cancelled or recovered.

Unconfirmed amounts relate to multi-year grants where future funding is dependent upon satisfactory annual progress reviews and the charity retains the discretion to terminate the grant. A designated fund is held in readiness to meet these commitments as they arise (See note 17).

The table below includes all projects active within the year.

	Cumulative grant at 1 April 2016 £	Grant expense £	Unconfirmed at 31 March 2017 £	Total project value £
Academic Medical Centre, The Netherlands - GBS genome library	56,440	-	-	56,440
Agence de Medecine Preventive, Burkina Faso - Antibody persistence after MenAfriVac in Burkina Faso	332,668	-	-	332,668
Centre for Vaccine Development, Mali - Development of diagnostic tool for the African Meningitis Belt	38,079	(201)	-	37,878
Ifakara Health Institute, Tanzania - Improving detection and treatment of cryptococcal meningitis in Tanzania	42,312	(1,914)	-	40,398
Imperial College London, UK - Genome-wide association study of meningococcal disease	64,434	(258)	-	64,176
Liverpool-Wellcome Trust Programme, Malawi - GBS transmission in Malawi	149,265	-	-	149,265
Medical Research Council Unit, The Gambia - Maternal immunisation with MenAfriVac	74,822	-	118,892	193,714
Sub-total	<u>758,020</u>	<u>(2,373)</u>	<u>118,892</u>	<u>874,539</u>

Meningitis Research Foundation
Notes to the financial statements
for the year ended 31 March 2017



5 Research Grants (continued)	Cumulative grant at 1 April 2016	Grant expense	Unconfirmed at 31 March 2017	Total project value
Sub-total brought forward	758,020	(2,373)	118,892	874,539
Public Health England, London - Host - pathogen interactions at a molecular level	60,505	-	107,140	167,645
University of Bristol, UK - Population preferences for prioritising childhood vaccinations	62,146	8,950	-	71,096
University of Cambridge, UK - Potential benefits of GBS immunisation in the UK	123,124	-	-	123,124
University of Leicester, UK - Determining the molecular basis for vaccine failure by Bexsero	66,027	28,432	-	94,459
University of Oxford, UK - Defining meningitis in UK children in the conjugate vaccine era	324,168	-	-	324,168
University of Oxford, UK - Aetiology of meningitis in UK children	26,565	56,616	-	83,181
University of Southampton, UK - Corticosteroid therapy for septicaemia in children	239,853	(14,730)	-	225,123
University of Bristol, UK - Relationship between Meningococcal carriage and respiratory infection.	-	88,969	65,800	154,769
Institut Necker Enfants Malades, France - Understanding meningococcus- induced blood clotting - Working towards new therapeutics	-	22,250	43,250	65,500
Health Protection Scotland - Improving prevention, diagnosis and treatment of meningitis	-	51,242	36,005	87,247
National Institute for Communicable diseases, South Africa - Improving outcomes in HIV infected adults.	-	83,844	63,880	147,724
University of Bristol, UK - Understanding whether the MenB vaccine has an effect on carriage in teenagers.	-	29,737	-	29,737
Total research grants	<u>1,660,408</u>	<u>352,937</u>	<u>434,967</u>	<u>2,448,312</u>

Meningitis Research Foundation
Notes to the financial statements
for the year ended 31 March 2017



6 Raising funds

	2017 £	Restated 2016 £
Materials, event costs and direct mail	227,756	199,150
Salaries and related costs	365,988	344,712
Other directly attributable costs	133,049	118,353
Support and governance	115,108	112,181
	<u>841,901</u>	<u>774,396</u>

7 Charitable activities

The amount spent on charitable activities, including support costs is analysed by programme area as follows:

	Prevention £	Diagnosis & treatment £	Engagement, support & information £	2017 £
Year to 31 March 2017				
Direct costs	253,216	496,900	425,756	1,175,872
Grant funding	185,819	175,678	-	361,497
Support and governance	69,534	106,522	67,431	243,487
	<u>508,569</u>	<u>779,100</u>	<u>493,187</u>	<u>1,780,856</u>

	Prevention £	Diagnosis & treatment £	Engagement, support & information £	Restated 2016 £
Year to 31 March 2016				
Direct costs	303,123	455,881	374,876	1,133,880
Grant funding	197,753	47,083	-	244,836
Support and governance	84,850	85,204	63,505	233,559
	<u>585,726</u>	<u>588,168</u>	<u>438,381</u>	<u>1,612,275</u>

Allocation of support costs

	Prevention £	Diagnosis & treatment £	Engagement, support & information £	Raising funds £	2017 £
Year to 31 March 2017					
Staff	43,034	65,925	41,732	71,240	221,931
Premises	5,097	7,808	4,943	8,438	26,286
Office equipment, consumables, and sundries	5,964	9,136	5,783	9,873	30,756
Travel & subsistence	917	1,407	891	1,521	4,736
Brand development	4,997	7,655	4,846	8,272	25,770
Governance	9,524	14,590	9,236	15,766	49,116
	<u>69,533</u>	<u>106,521</u>	<u>67,431</u>	<u>115,110</u>	<u>358,595</u>

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7 Charitable activities (continued)

Allocation of support costs					Restated 2016
	Prevention	Diagnosis & treatment	Engagement, support & information	Raising funds	
Year to 31 March 2016	£	£	£	£	£
Staff	55,604	55,836	41,616	73,515	226,571
Premises	5,162	5,183	3,863	6,824	21,032
Office equipment, consumables, and sundries	7,821	7,853	5,853	10,340	31,867
Travel & subsistence	850	854	637	1,124	3,465
Brand development	-	-	-	-	-
Governance	15,413	15,478	11,536	20,378	62,805
	<u>84,850</u>	<u>85,204</u>	<u>63,505</u>	<u>112,181</u>	<u>345,740</u>

Support costs are allocated on the basis of staff time incurred.

Governance costs		2017	Restated 2016
		£	£
Staff		4,490	4,458
Trustee travel and other expenses		747	946
Bank charges		5,236	5,536
Audit fees		14,724	15,563
Legal, accountancy, and other professional fees		23,919	36,302
		<u>49,116</u>	<u>62,805</u>

8 Net movement in funds

The net movement in funds is arrived at after charging/(crediting) the following:

	2017	2016
	£	£
Auditor's remuneration -		
Audit fees	12,974	10,300
Accountancy, taxation and other services	1,750	5,263
Operating leases - property	124,248	88,673
Depreciation	42,816	24,567
Net gain on disposal of fixed assets	-	523
Unrealised gains on foreign exchange	(19,010)	(6,569)
	<u>(19,010)</u>	<u>(6,569)</u>

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9 Staff costs and trustee remuneration

	2017	2016
	£	£
Salaries	996,897	983,677
Social security costs	88,195	85,238
Pension costs	56,728	48,374
	<u>1,141,820</u>	<u>1,117,289</u>

The Trustees consider that the charity's key management personnel comprise the Trustees, the Chief Executive and the senior management team as listed under reference and administration details.

Total employment benefits including employer pension contributions of the key management personnel were £307,504 (2016: £268,433). One employee received between £60,000 and £70,000 and the charity made pension contributions of £3,978 in respect of this employee (2016: one employee received between £60,000 and £70,000 and the charity made pension contributions of £3,668 in respect of this employee).

In the prior year accounts, only the Chief Executive was disclosed as key management. On review of the management structure within the charity, this has been amended in the current year to include members of the senior management team. The comparative figure for 2016 has been updated as a result.

A salary banding structure is approved by the trustees, shared with staff, and used by the senior management team to set salaries for roles and agree changes for staff members. The salary structure and payroll budget along with any general increment is reviewed annually by the Finance, HR and Administration subcommittee and approved by the board of trustees.

The charity's pay ratio (the ratio between the highest paid member of the team and the median) was 2.67 (2016: 2.62).

The average number of employees during the year was:

	2017	2016
	No.	No.
Charitable activities	19	19
Fundraising	16	16
Support	7	7
Total	<u>42</u>	<u>42</u>

Personal donations from trustees totalled £1,116 (2016: £500).

Two Trustees (2016: four) received travel expenses for trustee and other meetings of the charity totalling £676 (2016: £946)

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10 Related Party Transactions

Neither the Trustees or any persons connected with them have received any remuneration during the year for their role as Trustees.

During the year donations of £13,880 (2016: £6,307) were received from Clark Willmott LLP, a partnership of which Stephen Trump, a trustee, is a partner.

Also during the year (and the prior year), the Charity received an amount of £10,000 under a sponsorship agreement with Clarke Willmott LLP solicitors. S Trump, Trustee of the Charity is also a Partner of Clarke Willmott Solicitors. The terms of the sponsorship agreement, included the Charity promoting Clarke Willmott LLP as their exclusive sponsoring legal firm including listing them on the Charity's website, their details in printed materials and providing their contact details to those using the Meningitis Research Foundation Helpline. As no details of confidential data on individuals are passed between the Charity and Clarke Willmott, quantifying the indirect benefit of this relationship to Clarke Willmott has not been possible."

11 Tangible fixed assets

	Plant and machinery	Office and computer equipment	Total
	£	£	£
Cost			
At 1 April 2016	4,707	206,280	210,987
Additions	-	23,740	23,740
At 31 March 2017	<u>4,707</u>	<u>230,020</u>	<u>234,727</u>
Depreciation			
At 1 April 2016	4,585	110,155	114,740
Charge for the year	30	42,786	42,816
At 31 March 2017	<u>4,615</u>	<u>152,941</u>	<u>157,556</u>
Net Book Value			
At 31 March 2017	<u>92</u>	<u>77,079</u>	<u>77,171</u>
At 31 March 2016	<u>122</u>	<u>96,125</u>	<u>96,247</u>

All of the charity's fixed assets are primarily used for charitable purposes. Plant and machinery and office equipment also support fundraising and administration functions.

12 Fixed Asset Investments

Market value at 1 April 2016	£ 1,850,381
Additions at cost	445,309
Disposals	(1,168,194)
Movement on cash held	(28,374)
Net gains/(losses)	277,413
Market value at 31 March 2017	<u>1,376,535</u>
Book cost of investments	<u>1,164,119</u>

In addition to the net decrease in market value of investments, the charity received income from the investments, as shown in note 4.

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12 Fixed Asset Investments (continued)

The market value of investments as at 31 March 2017 can be analysed as follows:

	£
Listed investments and unit trusts	1,359,534
Investments in subsidiary undertakings	1
Cash held as part of the investment portfolio	17,000
	<u>1,376,535</u>

The charity owns the whole of the issued ordinary share capital of Meningitis Promotions Limited, a company registered in England with registered office Newminster House, 27-29 Baldwin Street, Bristol, BS1 1LT. The subsidiary is dormant, and has not been consolidated into the financial statements of the parent charity on the grounds of immateriality. The aggregate capital and reserves of the subsidiary are £439 (2016: £439).

13 Debtors	2017	2016
	£	£
Trade debtors	132,000	-
Other debtors	-	24,516
Taxation recoverable	-	18,030
Prepayments	404,665	300,569
Accrued income	106,729	51,500
	<u>643,394</u>	<u>394,615</u>

14 Short term deposits	2017	2016
	£	£
Short-term cash deposits at 1 April	101,818	845,612
Additions	500,733	-
Withdrawals	(202,000)	(743,794)
Short-term cash deposits at 31 March	<u>400,551</u>	<u>101,818</u>

15 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	44,498	190,153
Taxation and social security	28,251	37,308
Accrued research grants	588,682	770,730
Accruals	123,262	104,586
Deferred income	70,639	164,051
	<u>855,332</u>	<u>1,266,828</u>

Deferred income relates to receipts for fundraising events happening after the year end that are refundable should those events not take place. All deferred income brought forward was released and all deferred income carried forward arose in the year.

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16 Financial Instruments	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,777,086	1,952,199
Financial assets that are debt instruments measured at amortised cost	238,729	257,292
	<u>2,015,815</u>	<u>2,209,491</u>
Financial liabilities		
Financial liabilities measured at amortised cost	754,706	1,065,469
	<u>754,706</u>	<u>1,065,469</u>

Financial assets measured at fair value through profit or loss comprise fixed asset investments and short term deposits.

Financial assets measured at amortised cost comprise cash, other debtors and accrued income.

Financial Liabilities measured at amortised cost comprise trade creditors, accruals and accrued research grants.

17 Statement of funds	Brought Forward	Income	Expenditure	Transfers	Carried forward
Year to 31 March 2017	£	£	£	£	£
General funds	459,437	2,550,354	(2,219,079)	(57,969)	732,743
Designated funds:					
Unconfirmed research awards	320,030	-	-	37,812	357,842
Planned research awards	-	-	-	411,000	411,000
Three months' running costs	390,843	-	-	(390,843)	-
Total unrestricted funds	<u>1,170,310</u>	<u>2,550,354</u>	<u>(2,219,079)</u>	<u>-</u>	<u>1,501,585</u>
Restricted funds					
Statutory funders	86,340	226,897	(200,756)	-	112,481
Meningitis 2030 Conference 2017	-	63,021	(1,021)	-	62,000
Other restricted funds for charitable activities	82,962	261,224	(140,532)	-	203,654
Other restricted funds for research grants	17,897	120,602	(61,365)	-	77,134
Total restricted funds	<u>187,199</u>	<u>671,744</u>	<u>(403,674)</u>	<u>-</u>	<u>455,269</u>
Total funds	<u>1,357,509</u>	<u>3,222,098</u>	<u>(2,622,753)</u>	<u>-</u>	<u>1,956,854</u>

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17 Statement of funds (continued)

Year to 31 March 2016	Brought Forward £	Income £	Expenditure £	Transfers £	Carried forward £
General funds	578,502	1,949,403	(2,116,196)	47,728	459,437
Designated funds:					
Unconfirmed research awards	320,524	-	-	(494)	320,030
Three months running costs	371,545	-	-	19,298	390,843
Total 2016	<u>1,270,571</u>	<u>1,949,403</u>	<u>(2,116,196)</u>	<u>66,532</u>	<u>1,170,310</u>
Restricted funds					
Statutory funders	34,882	139,405	(87,947)	-	86,340
Other restricted funds for charitable activities	108,086	157,905	(182,528)	(501)	82,962
Other restricted funds for research grants	473	83,455	-	(66,031)	17,897
Total restricted funds	<u>143,441</u>	<u>380,765</u>	<u>(270,475)</u>	<u>(66,532)</u>	<u>187,199</u>
Total funds	<u><u>1,414,012</u></u>	<u><u>2,330,168</u></u>	<u><u>(2,386,671)</u></u>	<u><u>-</u></u>	<u><u>1,357,509</u></u>

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions.

Awareness funds are applied for the provision of information to the general public, groups targeted by age or location who are potential sufferers of the diseases, their families and carers, and health professionals and others dealing with the diseases.

Fixed asset funds arise where income is received for the purpose of acquiring fixed assets for use by the charity.

Research projects funds are applied for research into the prevention, detection and treatment of the diseases.

Two funds have been designated by the Trustees, both for research grants (See note 5):

- The fund for unconfirmed research awards of £357,842 represents the balance of grants awarded up to the end of the period that is not yet recognized as expenditure, and for which there is no provision in restricted funds.
- The fund for planned research of £411,000 represents new research awards being considered as part of a current grant round and due to be finalised in the early part of the following financial year.

The designated fund of "3 months' costs" from the prior year was released as the Trustees agreed this was not an appropriate use of a designation as defined in the Charities SORP. As detailed in the section of this report on "Reserves", the Trustees recognise that free reserves provide for this level of expenditure in the event of unforeseen circumstances.

During the year, the charity received income in relation to specific research projects where costs had been accrued and therefore recognised in prior years. Accordingly, transfers are made from restricted funds to the general fund to reflect costs previously recognised.

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18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Year to 31 March 2017				
Tangible fixed assets	1,453,706	-	-	1,453,706
Net current assets	<u>(720,963)</u>	<u>768,842</u>	<u>455,269</u>	<u>503,148</u>
Total Funds	<u>732,743</u>	<u>768,842</u>	<u>455,269</u>	<u>1,956,854</u>
	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Year to 31 March 2016				
Tangible fixed assets	1,946,628	-	-	1,946,628
Net current liabilities	<u>(1,487,191)</u>	<u>710,873</u>	<u>187,199</u>	<u>(589,119)</u>
Total Funds	<u>459,437</u>	<u>710,873</u>	<u>187,199</u>	<u>1,357,509</u>

19 Operating Lease Commitments

	Land and Buildings Restated		Other Restated	
	2017 £	2016 £	2017 £	2016 £
Payments due:				
within 1 year	74,437	57,771	3,655	3,655
between 1 and 5 years	<u>116,537</u>	<u>160,228</u>	<u>1,218</u>	<u>4,874</u>
	<u>190,974</u>	<u>217,999</u>	<u>4,874</u>	<u>8,529</u>

The 2016 comparative figures for the operating lease disclosure have been restated, in order to be compliant with FRS 102 Charities SORP requirements.

20 Unconfirmed Research Grants

In addition to the accrued research grants, the charity has agreed in principle to give £434,967 (2016: £320,030) of continuation funding to existing research grant recipients. This amount has not been recognised as a liability as continuation funding is dependant on satisfactory progress assessments by the charity and the relevant reviews had not occurred at the year end.

21 Company limited by guarantee

The guarantee given by the members of the charity is £10 per member in the event of there being a deficiency of assets should the charitable company be wound up. In 2017 there were 10 members (2016: 10).

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22 Prior year adjustment

The categories within raising funds and charitable activities have been amended during the financial year, to be

	Raising funds	Charitable activities	Total
	£	£	£
Costs as previously stated in 2016	830,121	1,556,550	2,386,671
Costs restated	774,396	1,612,275	2,386,671
Total adjustment	<u>55,725</u>	<u>(55,725)</u>	<u>-</u>

The total adjustment to the funds of the charity as a result of the amendment is nil.