MEDICAL ENGINEERING RESOURCE UNIT

England & Wales · Charity number 269804

Details

Other names	MERU
Status	Registered
Legal form	Charitable company
Company number	01214125
Registered	1975-08-07
Register	View on the Charity Commission register

Contact

Address	Queen Elizabeth's Foundation For Disabled People Leatherhead Court Woodlands Road Leatherhead KT22 0BN
Phone	01372841105
Email	info@meru.org.uk
Website	www.meru.org.uk

Activities

Objects: THE DEVELOPMENT AND OR PROVISION OF INNOVATIVE AIDS FOR THE RELIEF OF CHILDREN AND YOUNG PERSONS WITH DISABILITIES

Activities: The development and/or provision of innovative aids for the relief of children and young people with disabilities

Classification

- **How:** Provides Services
- **What:** Disability
- **Who:** Children/young People, People With Disabilities

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Geography

- East Sussex
- Kent
- Surrey
- West Sussex
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	-	-	-	-
2024-03-31	£492,699	£457,289	-	-
2023-03-31	£487,380	£520,134	-	-
2022-03-31	£646,324	£616,865	£54,871	9
2021-03-31	£599,907	£591,789	£25,411	8
2020-03-31	£601,490	£629,820	£17,293	8

Trustees

Name	Role	Appointed
Queen Elizabeth's Foundation for Disabled People		2012-12-20

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MEDICAL ENGINEERING RESOURCE UNIT

England & Wales - Charity number 269804

Accounts

from disabilities to possibilities

Medical Engineering Resource Unit

Financial Statements

For the year ended 31 March 2024

CHARITY NO. 269804

COMPANY REGISTRATION NO. 1214125

Queen Elizabeth's Foundation for Disabled People

Enabling Potential

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2024

PATRONS	LAURENCE LLEWELLYN BOWEN SIR RICHARD STILGOE OBE DL
BOARD OF TRUSTEES	PAUL BEATER (resigned 27 July 2023) MOIRA BOWIE GORDON BOWSER ALICE COLLINS STEPHEN COLLINSON MICHAEL CONNAUGTON TIMOTHY JASON DAVIES (resigned 3 May 2023) ABIGAIL PRICE (resigned 25 September 2024) GRAHAM RUSLING (appointed 4 October 2023) ELIZABETH SHARP CHRISTOPHER THORNE (resigned 10 October 2023)
DIRECTORS	MOIRA BOWIE GORDON BOWSER STEPHEN COLLINSON (appointed 3 May 2023) TIMOTHY JASON DAVIES (resigned 3 May 2023)
COMPANY SECRETARY	PHILIP KIRK
REGISTERED OFFICE	LEATHERHEAD COURT WOODLANDS ROAD LEATHERHEAD, SURREY, KT22 0BN
BANKERS	CAF BANK LTD 25 KINGS HILL AVENUE KINGS HILL WEST MALLING KENT ME19
INDEPENDENT AUDITORS	MOORE KINGSTON SMITH LLP 9 APPOLD STREET LONDON EC2A 2AP

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DIRECTORS' REPORT

The directors (who are also trustees for the purposes of company law) are pleased to present their Report and Financial Statements for the year ended 31st March 2024. The accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. The report and statements also comply with the Companies Act 2006 and the Charities Act 2011.

History

On 1st April 2012 Medical Engineering Resource Unit (MERU) became a member of the Queen Elizabeth's Foundation for Disabled People (QEF) family of charities and QEF is the sole trustee of MERU. In this report, reference to 'Trustees' means the Board of Trustees of QEF.

The aim of the merger was to be able to enhance the range of services on offer from both charities.

QEF is a national charity working with people living with physical and learning disabilities or acquired brain injuries, to gain new skills and increase independence. MERU has continued its work of providing innovative equipment which started at Queen Mary's Hospital for Children over 40 years ago. QEF and MERU both support disabled people to achieve goals for life and realise their full potential.

Vision and Strategic Direction

- MERU care deeply about helping young people with disabilities who are striving to enhance their ability to grow and achieve personal fulfilment.
- MERU's core solutions are aimed at serving the unique needs of individuals for whom standard equipment solutions are inadequate.
- MERU foster an environment of innovation and creativity to deliver both the quality and efficacy of solutions in a timely manner.
- All equipment is manufactured to the highest possible standards and compliant with the latest legislation in this field.
- MERU draw on the widest possible range of expertise in engineering, design and disability, bringing new skills and experience into the organisation whenever possible.
- No child will be denied help on the grounds of cost, but where appropriate, statutory agencies will be expected to make a contribution.
- All employees, volunteers and clients of MERU are ambassadors for the organisation.

MAIN ACTIVITIES

All charitable activities focus on enabling children and young people with disabilities to take a more active, independent role in society through the

provision of innovative aids. They are undertaken to further MERU's charitable purposes for the public benefit. This objective falls within the guidance contained in the Charity Commission's general guidance on public benefit and this guidance has been taken into account when planning MERU's future.

MERU offers a free loan scheme for our children's mini powered wheelchairs known as Bugzis. Following an assessment, Bugzis are available for the family to take home and use for as long as the child need it. It is then returned, refurbished and reloaned to another child.

A wide range of assistive products are available to purchase as well as adaptations to toys. There were 5,366 toys adapted during the year. MERU stopped providing one-off engineering services during 2020 and these are no longer available. MERU provides a toy adaptation service to one distribution partner in the UK.

Bugzi loan scheme

MERU produces children's mini powered wheelchairs "Bugzis" which are available to buy or offered as part of a free loan scheme. The loan scheme allows a family to take a Bugzi home following an assessment and use for as long as the child needs it. It is then returned, refurbished and reloaned to another child.

A total of 42 children received a Bugzi through the Bugzi Loan Scheme between April 2023 and March 2024. In addition, the school-based Bugzi Club was operational in 11 schools in the Southeast in 2023-24 (2023: 10), helping children access independent mobility at school.

MERU produced 3 new Bugzis for the loan scheme in the year and a further 34 Bugzis were refurbished. We issued a Field Safety Notice on December 2023, which impacted upon the Bugzi loan scheme for the remainder of the year.

MERU also sells a wide range of assistive products and adapted toys as well as providing a toy adaptation service to a distribution partner in the UK. A total of 6,584 toys were adapted during the year.

Outreach and partnerships

MERU's outreach work is carefully targeted to increase referrals and to support fundraising activities. MERU has continued to foster partnerships with charities and organisations who work directly with disabled children to ensure every child who needs MERU's services knows how to access them. There are now partnerships with organisations in Glasgow, Leeds, Birmingham, Truro, Thetford, London, Northern Ireland, St Helens, Newcastle, Aylesbury Derby and South Wales.

MERU is also a member of the BHTA Paediatric Equipment Section with other manufacturers and providers of Medical Devices.

Fundraising and Marketing

Despite the challenging fundraising environment, overall funds raised totalled £297k (2023: £290k).

Volunteers and Support

MERU's charitable activity is undertaken by our dedicated engineers and support staff. Volunteers are also a key part of the MERU story, in the workshop, in the office, in fundraising activities and as ambassadors for the charity.

By opening the workshops to volunteers we have been able to recruit highly skilled engineers and designers who work for local engineering companies. This team is now responsible for much of our commercial output and have been instrumental in providing the toy adaptation service.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is a company limited by guarantee. The governing documents are the Memorandum and Articles of Association. MERU is registered as a charity with the Charity Commission. The Directors oversee the governance, management and administration of MERU.

Directors

Directors are elected by Members of QEF or co-opted by the Trustees, based on how their skill set and experience can benefit QEF and further improve the knowledge of the Board. A formal recruitment and selection process is agreed by the Board in advance of all appointments and is in line with best practice guidance.

As stated in the Memorandum and Articles of Association, one third (or the number nearest one third) of the Directors must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. A retiring Trustee who is eligible may be re-elected. If at the date of the AGM a Trustee has held office for nine consecutive years, since first election, they may not be re-elected, except in exceptional circumstance of there being no other person eligible to be a Trustee and acceptable to the Members as such.

The Directors delegate day to day management and administration of MERU to the Chief Executive and Senior Management Team of QEF and the staff of MERU.

Risk Management

The Directors regularly examine the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Risk	How this is expected to be managed
MERU remains heavily reliant on charitable donations to fund operations. There is diminishing availability and increasing competition for these funds.	MERU is increasing the proportion of income that is self-generated year on year and work closely with QEF Engagements and Partnerships team to support fundraising initiatives.
Continued pressure on supply lines means that the availability of key components remains a challenge.	MERU is continually assessing stock requirements and planning increased lead times into production schedules. The use of alternative suppliers and/or materials is considered on a case by case basis.

FINANCIAL REVIEW

Income and Expenditure

Income from charitable activities, which comprises the sale of Ready Made products, Bugzis and Travel Chairs, remained broadly constant at £195k in 2024 (2023: £197k). Income from donations increased slightly by £7k to £297k in 2024 (2023: £290k).

Overall, MERU total income was £493k in 2024 (2023: £487k) with operating expenditure of £457k (2023: £520k) resulting in net operating income of £35k. This was an improvement on net operating expenditure incurred in prior year of £(33k).

Net operating income in 2024 was boosted by a £26k gain arising from a reduction in the dilapidation reserve following the settlement of a dilapidation claim post year-end.

Balance Sheet

The net book value of fixed assets reduced from £118k to £73k, a decrease of £45k reflecting the depreciation of existing Bugzis and reduced activity undertaken in building and capitalising new ones.

Stock held at the year-end was £100k (2023: £93k) reflecting a slight increase in the levels of ready-made products and components.

The cash balance decreased by £64k to £64k (2023: £128k). This was primarily driven by movement in the inter-company position including a reduction in the amount owed to QEF of £65k.

Total accumulated funds were £58k at 31 March 2024 (2023: £22k) comprising restricted funds of £47k (2023: £22k) and unrestricted funds of £11k (2023: nil).

Reserves policy

The Board of Directors reviews the reserves policy of MERU on an annual basis. The reserves include unrestricted and restricted reserves. An analysis of the reserves is shown in note 9 of the financial statements.

The reserves policy is determined after assessing the capital requirements, considering the nature and timing of income and expenditure streams and by reviewing the specific business risks identified through the risk management process. The Board of Directors aims to maintain a level of unrestricted reserves not tied up in fixed assets or free reserves which it believes will be sufficient to ensure the operational efficiency of the charity.

The Board of Directors has concluded that, given the current economic situation, the level of free reserves at the year-end should be three months' worth of operating expenditure. The actual level of free reserves is defined as the unrestricted net current assets (-£62k see note 9) divided by the average monthly operating expenditure (£38k see SOFA).

However, the parent company, QEF, calculates the resources required for the whole QEF Group, which includes its subsidiaries and specifically MERU. QEF will ensure that MERU has adequate reserves at all times.

Investment policy

Any cash reserves have been deposited in a current account for ease of access. No reserves have been available for investment.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also trustees for the purposes of company law) are required to prepare financial statements for each financial period which give a true and fair view of the financial activities of the charity and of its financial position at the end of that period.

In preparing those financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The Directors are responsible for keeping proper accounting records which 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 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors 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 Directors 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.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

Auditors

The auditors, Moore Kingston Smith LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

Small Company Rules

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Directors on 27 November 2024 and signed on its behalf.

G Bowser
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL ENGINEERING RESOURCE UNIT

Opinion

We have audited the financial statements of Medical Engineering Resource Unit ('the charitable company') for the year ended 31st March 2024 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2024 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Directors' Report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the directors were not entitled to prepare the financial statement in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors (who are also trustees for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP Date: 10 December 2024.

Chartered Accountants
Statutory Auditor

9 Appold Street
London
EC2A 2AP

BALANCE SHEET
AS AT 31 MARCH 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	3		72,631		117,942
			72,631		117,942
Current assets					
Stocks	4	99,800		92,578	
Debtors	5	68,012		22,143	
Cash at bank and in hand		63,943		128,310	
		231,755		243,031	
Creditors					
Amounts falling due within one year	6	(215,716)		(281,713)	
Net current assets			16,039		(38,682)
Total assets less current liabilities			88,670		79,260
Provisions	7		(31,143)		(57,143)
Net asset or liabilities			57,527		22,117
Accumulated funds					
Restricted funds	9		47,000		-
Unrestricted funds	9		10,527		22,117
Total accumulated funds			57,527		22,117

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.
Approved by the Trustees on 27 November 2024 and signed on its behalf by:

.....

G Bowser
Director

The annexed notes form part of these financial statements

Company Registration Number: 1214125

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 Unrestricted Funds	2024 Restricted Funds	2024 Total Funds	2023 Total Funds
		£	£	£	£
INCOME:					
Donations and legacies	11	189,998	107,486	297,484	290,370
Charitable activities	12	195,215	-	195,215	189,244
Business Grants	12	-	-	-	7,766
Total Operating Income		385,213	107,486	492,699	487,380
EXPENDITURE:					
Raising funds	13	16,492	-	16,492	15,254
Charitable activities	14	380,311	60,486	440,797	504,880
Total Operating Expenditure		396,803	60,486	457,289	520,134
Net Operating (Expenditure)/Income		(11,590)	47,000	35,410	(32,754)
Reconciliation of funds:					
Total funds brought forward		22,117		22,117	54,871
Total funds carried forward		10,527	47,000	57,527	22,117

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Company Status

The Company is limited by guarantee, has no share capital and is also a registered charity. The liability of each member is limited to a sum of no more than £1 in the event of a winding up.

2. Principle Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The company is a public benefit entity for the purposes of FRS102 and therefore the Charity also prepares its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Structure applicable in the UK and Republic of Ireland (The FRS102 Charities SORP) and The Companies Act 2006. A summary of the more important accounting policies, which have been applied consistently, is set out below.

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

b) Going Concern

The Directors 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 company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Directors have considered the charitable company's forecasts and projections and have taken account of pressures on donation income.

After making enquiries, the Directors have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Incoming Resources

Grants and donations are included when receivable.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

d) Fixed Assets and Depreciation

Assets are purchased from donations and grants provided and are shown as direct charitable expenditure from the fund concerned.

Individual tangible fixed assets costing more than £1,000 are capitalised at cost. Tangible fixed assets are stated at cost less depreciation.

All tangible fixed assets are depreciated on a straight-line basis.

Plant & machinery	Five to Ten years
Motor vehicles	Four years
Leasehold improvements	Five years

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

e) Stocks

Stocks comprise items purchased for resale and are stated at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving stock.

f) Resources Expended

Costs of charitable activities, support costs and the costs of raising funds of the charity have been allocated between these headings directly to the relevant expense for which the cost was incurred. Where costs cannot be specifically identified within one of the above categories an estimated allocation has been made.

g) Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

h) Pensions

For each member of the Group Personal Pension Plan (GPPP) the company makes a contribution of 5% of the employee's gross salary provided the employee has made a personal contribution of at least 3%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

A third-party pension provider holds the assets of the GPPP.

i) Taxation

As the company is a registered charity, it is exempt from corporation tax on its charitable activities.

j) Cash Flow

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of the Queen Elizabeth's Foundation for Disabled People and its cash flows are consolidated into the cash flow statement of that company.

k) Unrestricted Funds

These are donations and other incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

l) Restricted Funds
These are funds to be used for the specific purposes laid down by the donor. See note 8 for more details of restricted funds. Expenditure which meets these criteria is charged to the fund.

m) Other Financial Instruments

i. Cash and Cash Equivalents

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

ii. Debtors and Creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their 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.

iii. Critical accounting 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.

As per note 7, the dilapidation reserve shows the amount that has been provided in relation to the on-going dispute for dilapidations for MERU's previous rented property in Eclipse Way, Epsom. The trustees have taken professional advice on the case and are confident the amount provided for is sufficient to cover the costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

3 TANGIBLE FIXED ASSETS

	Plant and Equipment	Motor Vehicles	Total
	£	£	£
Cost at 1.4.23	580,526	7,015	587,541
Additions	2,200	-	2,200
Disposals	(16,362)	(5,220)	(21,582)
Cost at 31.3.24	566,364	1,795	568,159
Depreciation at 1.4.23	462,584	7,015	469,599
Charge for year	47,511	-	47,511
On disposals	(16,362)	(5,220)	(21,582)
Depreciation at 31.3.24	493,733	1,795	495,528
NET BOOK VALUE at 31.3.24	72,631	-	72,631
NET BOOK VALUE at 31.3.23	117,942	-	117,942

4 STOCK

	2024	2023
	£	£
Raw materials and finished goods	99,800	92,578
	99,800	92,578

5 DEBTORS AND PREPAYMENTS

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

Amounts falling due within one year:	2024 £	2023 £
Debtors for equipment sold	18,208	13,184
Rent Deposit re Epsom premises	5,000	5,000
Amount due from group undertaking	41,427	-
HMRC (Re VAT)	2,988	-
Prepayments & Accrued Income	389	3,959
	68,012	22,143

6 CREDITORS

All creditors are financial instruments and are measured at present value.

Amounts falling due within one year:	2024 £	2023 £
Accruals	5,828	2,605
Sundry Creditors	1,282	1,041
HMRC (Re VAT)	-	72
Amount due to parent organisation	184,214	248,724
Purchase Ledger Control	10,542	15,121
Bugzi Loan Deposit	13,850	14,150
	215,716	281,711

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

7 PROVISIONS

	2024 £	2023 £
Dilapidation Reserve	31,143	57,143
	31,143	57,143

8 STATEMENT OF FUNDS

Activity	Opening Balance £	Incoming Resources £	Resources Expended £	Closing Balance £
Unrestricted Funds:				
General Fund	22,117	385,213	396,803	10,527
Restricted Funds:				
Bugzi	-	107,486	60,486	47,000
Engineer Salaries	-	-	-	-
Students	-	-	-	-
Total All Funds	22,117	492,699	457,289	57,527

9 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Fund £	Restricted Fund £	Total Funds 2024 £
Tangible Fixed Assets	72,631	-	72,631
Current Assets	184,755	47,000	231,755
Current Liabilities	(246,859)	-	(246,859)
	10,527	47,000	57,527

	Unrestricted Fund £	Restricted Fund £	Total Funds 2023 £
Tangible fixed assets	117,942	-	117,942
Current Assets	243,031	-	243,031
Current Liabilities	(338,856)	-	(338,856)
	22,117	-	22,117

The restriction is defined to have been met if money has been spent on the activity it was intended for.

10 RECONCILIATION OF MOVEMENT IN FUNDS

	2024 Total £	2023 Total £
Opening funds	22,117	54,871
Net movements of resources in the year	35,410	(32,754)
Closing funds	57,527	22,117

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

11 DONATIONS AND LEGACIES

Category	2024 Unrestricted £	2024 Restricted £	2024 Total £
Trusts	39,486	99,950	139,436
Major Donors	117	-	117
Direct Mail	71,910	6,120	78,030
Corporate	10,181	-	10,181
Community	9,287	1,136	10,423
Events	23,292	-	23,292
Legacies	8,000	280	8,280
Other	27,725	-	27,725
	189,998	107,486	297,484

Category	2023 Unrestricted £	2023 Restricted £	2023 Total £
Trusts	65,000	78,343	143,343
Major Donors	947	-	947
Direct Mail	18,566	22,406	40,972
Corporate	677	-	677
Community	16,816	18,516	35,332
Other	13,911	55,188	69,099
	115,917	174,453	290,370

12 CHARITABLE ACTIVITES & GRANTS

All activities in the current and prior year were unrestricted.

	2024 £	2023 £
Sale of Equipment by the Charity	195,215	189,244
Business Grants	-	7,766
	195,215	197,010

13 RAISING FUNDS

In the current and prior year there were unrestricted costs of raising funds.

	2024 Direct Costs £	2024 Staff Costs £	2024 Total Funds £
Unrestricted	16,492	-	16,492
Restricted - Bugzi	-	-	-
	16,492	-	16,492

	2023 Direct Costs £	2023 Staff Costs £	2023 Total Funds £
Unrestricted	15,254	-	15,254
Restricted - Bugzi	-	-	-
	15,254	-	15,254

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

14 CHARITABLE ACTIVITIES

	2024 Direct Costs £	2024 Support Costs £	2024 Total Funds £
Instant Solutions	170,646	258,953	429,599
Auditors' Remuneration inc VAT	-	11,197	11,197
	170,646	270,150	440,796

	2023 Direct Costs £	2023 Support Costs £	2023 Total Funds £
Instant Solutions	335,358	165,655	501,013
Auditors' Remuneration inc VAT	-	3,867	3,867
	335,358	169,522	504,880

Instant Solutions include costs for Bugzi, assistive products and toy adaptations.

15 SUPPORT COSTS

	2024 Staff Costs £	2024 Other Costs £	2024 Total Funds £
TravelChair	-	-	-
Instant Solutions	168,230	101,920	270,150
	168,230	101,920	270,150

	2023 Staff Costs £	2023 Other Costs £	2023 Total Funds £
TravelChair	-	-	-
Instant Solutions	187,439	(17,917)	169,522
	187,439	(17,917)	169,522

The basis of the cost allocation shown above is as a proportion of the cost of each activity.

16 STAFF COSTS

	2024 £	2023 £
Salaries	149,818	166,673
Social Security Costs	11,911	13,784
Pension Costs	6,062	7,222
Other Costs	439	(240)
	168,230	187,439

The average number of persons employed by MERU during the year was:

	Full time 2024	Full time 2023	Part time 2024	Part time 2023
MERU	3	3	5	4

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

Included within staff costs above is £900 (2023: £11,093) of labour costs that have been capitalised within fixed assets.

The Trustees received no remuneration nor incurred any reimbursable expenses in either year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 (cont'd)

16 STAFF COSTS (continued)

Key management personnel includes seven employees; Financial Officer, Design Engineers, Project Leaders and the Engineering Team Leader. Remuneration for key management personnel was £144,819 for the year (2023: £159,952).

Pension costs of £6,062 were split between unrestricted cost of £4,745 and restricted costs of £1,317. For the year ending 31 March 2023, the full £7,222 was restricted.

17 OPERATING INCOME

	2024	2023
	£	£
Surplus before Auditors Remuneration and Depreciation of Fixed Assets	94,118	44,996
Auditor's Remuneration	11,197	3,867
Depreciation of Tangible Fixed	47,511	73,883
	35,410	(32,754)

18 RELATED PARTY TRANSACTIONS

Medical Engineering Resource Unit is a 100% owned subsidiary of Queen Elizabeth Foundation for Disabled People. Transactions with parent company are follows: QEF management fee charged £86,229 (2023: £75,770). There were no other group transactions in the year.

Included within debtors and creditors at year end for MERU are the following balances with the group of charities:

	2024	2023
QEF Trading Ltd	41,427	-
Queen Elizabeth's Foundation for Disabled People	(184,214)	(248,724)
	(142,787)	(248,724)

19 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Queen Elizabeth's Foundation for Disabled People, a company incorporated in England and Wales (company number: 892013 and charity number: 251051). The immediate and ultimate controlling party is Queen Elizabeth's Foundation for Disabled People, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. These accounts can be obtained from The Company Secretary, Leatherhead Court, Woodlands Road, Leatherhead, Surrey KT22 0BN.

Queen Elizabeth's Foundation for Disabled People (QEF) is a leading national charity with over 80 years' experience of developing innovative services which enable and support people with disabilities to increase independence and improve opportunities for life.

QEF can exercise control over MERU through corporate ownership and power to appoint/remove directors or trustees.

MEDICAL ENGINEERING RESOURCE UNIT

England & Wales - Charity number 269804

Accounts

from disabilities to possibilities

Medical Engineering Resource Unit

Financial Statements

For the year ended 31 March 2023

CHARITY NO. 269804

COMPANY REGISTRATION NO. 1214125

QEF Queen Elizabeth's Foundation for Disabled People

Enabling Potential

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2023

PATRONS	LAURENCE LLEWELLYN BOWEN SIR RICHARD STILGOE OBE DL
BOARD OF TRUSTEES	PAUL BEATER (appointed 29 November 2022, resigned 3 May 2023) MOIRA BOWIE GORDON BOWSER ALICE COLLINS STEPHEN COLLINSON (appointed 29 November 2022) MICHAEL CONNAUGTON TIMOTHY JASON DAVIES (resigned 3 May 2023) JOHN DENNING (resigned 31 March 2023) ABIGAIL PRICE ELIZABETH SHARP CHRISTOPHER THORNE (appointed 29 November 2022, resigned 10 October 2023)
DIRECTORS	MOIRA BOWIE GORDON BOWSER STEPHEN COLLINSON (appointed 3 May 2023) TIMOTHY JASON DAVIES (resigned 3 May 2023)
COMPANY SECRETARY	PHILIP KIRK
REGISTERED OFFICE	LEATHERHEAD COURT WOODLANDS ROAD LEATHERHEAD, SURREY, KT22 0BN
BANKERS	CAF BANK LTD 25 KINGS HILL AVENUE KINGS HILL WEST MALLING KENT ME19
INDEPENDENT AUDITORS	MOORE KINGSTON SMITH LLP 9 APPOLD STREET LONDON EC2A 2AP

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DIRECTORS' REPORT

The directors (who are also trustees for the purposes of company law) are pleased to present their Report and Financial Statements for the year ended 31st March 2023. The accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014. The report and statements also comply with the Companies Act 2006.

History

On 1st April 2012 Medical Engineering Resource Unit (MERU) became a member of the Queen Elizabeth's Foundation for Disabled People (QEF) family of charities and QEF is the sole trustee of MERU. In this report, reference to 'Trustees' means the Board of Trustees of QEF.

The aim of the merger was to be able to enhance the range of services on offer from both charities.

QEF is a national charity working with people living with physical and learning disabilities or acquired brain injuries, to gain new skills and increase independence. MERU has continued its work of providing innovative equipment which started at Queen Mary's Hospital for Children 40 years ago. QEF and MERU both support disabled people to achieve goals for life and realise their full potential.

Vision and Strategic Direction

- MERU care deeply about helping young people with disabilities who are striving to enhance their ability to grow and achieve personal fulfilment.
- MERU's core solutions are aimed at serving the unique needs of individuals for whom standard equipment solutions are inadequate.
- MERU foster an environment of innovation and creativity to deliver both the quality and efficacy of solutions in a timely manner.
- All equipment is manufactured to the highest possible standards and compliant with the latest legislation in this field.
- MERU draw on the widest possible range of expertise in engineering, design and disability, bringing new skills and experience into the organisation whenever possible.
- No child will be denied help on the grounds of cost, but where appropriate, statutory agencies will be expected to make a contribution.
- All employees, volunteers and clients of MERU are ambassadors for the organisation.

MAIN ACTIVITIES

All charitable activities focus on enabling children and young people with disabilities to take a more active, independent role in society through the

provision of innovative aids. They are undertaken to further MERU's charitable purposes for the public benefit. This objective falls within the guidance contained in the Charity Commission's general guidance on public benefit and this guidance has been taken into account when planning MERU's future.

MERU offers a free loan scheme for our children's mini powered wheelchairs known as Bugzis. Following an assessment, Bugzis are available for the family to take home and use for as long as the child need it. It is then returned, refurbished and reloaned to another child.

A wide range of assistive products are available to purchase as well as adaptations to toys. There were 5,366 toys adapted during the year. MERU stopped providing one-off engineering services during 2020 and these are no longer available. MERU provides a toy adaptation service to one distribution partner in the UK.

Bugzi loan scheme

80 children received a Bugzi through the Bugzi Loan Scheme between April 2022 and March 2023. The school based Bugzi Club was run in 10 schools in the South East in 2022-23, helping 16 children access independent mobility at school.

We provided 9 new Bugzis this year for the loan scheme and sold 0 in the UK and abroad. A total of 54 Bugzis were refurbished throughout the year. There were 80 Bugzi assessments carried out during the year – 34 of which were at QEF or at one of the 10 Bugzi School Squads covered by Surrey, with the remaining 46 taking place at our partner centres.

Outreach and partnerships

MERU's outreach work is carefully targeted to increase referrals and to support fundraising activities. MERU has continued to foster partnerships with charities and organisations who work directly with disabled children to ensure every child who needs MERU's services knows how to access them. There are now partnerships with organisations in Glasgow, Leeds, Birmingham, Truro, Thetford, London, Northern Ireland, St Helens, Newcastle, Aylesbury Derby and South Wales.

MERU is also a member of the BHTA Paediatric Equipment Section with other manufacturers and providers of Medical Devices.

Fundraising and Marketing

Despite the challenging fundraising environment, overall funds raised totalled £290k (2022: £379k).

Volunteers and Support

MERU's charitable activity is undertaken by our dedicated engineers and support staff. Volunteers are also a key part of the MERU story, in the workshop, in the office, in fundraising activities and as ambassadors for the charity.

By opening the workshops to volunteers we have been able to recruit highly skilled engineers and designers who work for local engineering companies. This team is now responsible for much of our commercial output and have been instrumental in providing the toy adaptation service.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is a company limited by guarantee. The governing documents are the Memorandum and Articles of Association. MERU is registered as a charity with the Charity Commission. The Directors oversee the governance, management and administration of MERU.

Directors

Directors are elected by Members of QEF or co-opted by the Trustees, based on how their skill set and experience can benefit QEF and further improve the knowledge of the Board. A formal recruitment and selection process is agreed by the Board in advance of all appointments and is in line with best practice guidance.

As stated in the Memorandum and Articles of Association, one third (or the number nearest one third) of the Directors must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. A retiring Trustee who is eligible may be re-elected. If at the date of the AGM a Trustee has held office for nine consecutive years, since first election, they may not be re-elected, except in exceptional circumstance of there being no other person eligible to be a Trustee and acceptable to the Members as such.

The Directors delegate day to day management and administration of MERU to the Chief Executive and Senior Management Team of QEF and the staff of MERU.

Risk Management

The Directors regularly examine the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Risk	How this is expected to be managed
MERU remain heavily reliant on charitable donations to fund operations. There is diminishing availability and increasing competition for these funds.	MERU are increasing the proportion of income that is self-generated year on year and work closely with QEF Engagements and Partnerships team to support fundraising initiatives.
Continued pressure on supply lines due to post-Covid demand on shipping means that the availability of key components remains a challenge.	MERU are continually assessing stock requirements and planning increased lead times into production schedules. The use of alternative suppliers and/or materials is considered on a case by case basis.

FINANCIAL REVIEW

Income and Expenditure

Income from charitable activities including business grants (Ready-made Products, Bugzis and Travel Chairs) fell to £197k in 2023 (2022 - £267k). Income from donations fell by £89k to £290k in 2023 (2022 379k).

Overall, MERU total income was £487k in 2023 (2022 £646k) with an operating expenditure of £520k (2022 £617k), resulted in an operating deficit of £33k.

Balance Sheet

The net book value of fixed assets reduced from £158k to £118k, a decrease of £40k. This reflects the continued depreciation of the Bugzis.

Stock has also decreased slightly for the Readymade business.

The cash balance decreased slightly from the prior year at £128k (2022 £146k).

Reserves policy

The Board of Directors reviews the reserves policy of MERU on an annual basis. The reserves include unrestricted and restricted reserves. An analysis of the reserves is shown in note 9 of the financial statements.

The reserves policy is determined after assessing the capital requirements, considering the nature and timing of income and expenditure streams and by reviewing the specific business risks identified through the risk management process. The Board of Directors aims to maintain a level of unrestricted reserves not tied up in fixed assets or free reserves which it believes will be sufficient to ensure the operational efficiency of the charity.

The Board of Directors has concluded that, given the current economic situation, the level of free reserves at the year-end should be three months' worth of operating expenditure. The actual level of free reserves is defined as the unrestricted net current assets (-£95k see note 9) divided by the average monthly operating expenditure (£44k see SOFA).

However, the parent company, QEF, calculates the resources required for the whole QEF Group, which includes its subsidiaries and specifically MERU. QEF will ensure that MERU has adequate reserves at all times.

Investment policy

Any cash reserves have been deposited in a current account for ease of access. No reserves have been available for investment.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also trustees for the purposes of company law) are required to prepare financial statements for each financial period which give a true and fair view of the financial activities of the charity and of its financial position at the end of that period.

In preparing those financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The Directors are responsible for keeping proper accounting records which 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 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.

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors 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 Directors 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.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

Auditors

The auditors, Moore Kingston Smith LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

Small Company Rules

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Directors on 29 November 2023 and signed on its behalf.

G Bowser
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL ENGINEERING RESOURCE UNIT

Opinion

We have audited the financial statements of Medical Engineering Resource Unit ('the charitable company') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2023 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or

- the directors were not entitled to prepare the financial statement in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors (who are also trustees for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP Date: 11/12/2023

Chartered Accountants
Statutory Auditor

9 Appold Street
London
EC2A 2AP

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	3		117,942		157,981
			117,942		157,981
Current assets					
Stocks	4	92,578		95,446	
Debtors	5	22,143		26,579	
Cash at bank and in hand		128,310		146,455	
		243,031		268,480	
Creditors					
Amounts falling due within one year	6	(281,713)		(314,447)	
Net current assets			(38,682)		(45,967)
Total assets less current liabilities			79,260		112,014
Provisions	7		(57,143)		(57,143)
Net asset or liabilities			22,117		54,871
Accumulated funds					
Restricted funds	9		-		48,780
Unrestricted funds	9		22,117		6,091
Total accumulated funds			22,117		54,871

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.
Approved by the Trustees on 29 November 2023 and signed on its behalf by:

.....

G Bowser
Director

The annexed notes form part of these financial statements

Company Registration Number: 1214125

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 Unrestricted Funds	2023 Restricted Funds	2023 Total Funds	2022 Total Funds
		£	£	£	£
INCOME:					
Donations and legacies	11	115,917	174,453	290,370	379,388
Charitable activities	12	189,244	-	189,244	256,554
Business Grants	12	7,766	-	7,766	10,382
Total Operating Income		312,927	174,453	487,380	646,324
EXPENDITURE:					
Raising funds	13	15,254	-	15,254	30,830
Charitable activities	14	281,647	223,233	504,880	586,035
Total Operating Expenditure		296,901	223,233	520,134	616,865
Net Operating (Expenditure)/Income		16,026	(48,780)	(32,754)	29,459
Reconciliation of funds:					
Total funds brought forward		6,091	48,780	54,871	25,412
Total funds carried forward		22,117	-	22,117	54,871

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Company Status

The Company is limited by guarantee, has no share capital and is also a registered charity. The liability of each member is limited to a sum of no more than £1 in the event of a winding up.

2. Principle Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The company is a public benefit entity for the purposes of FRS102 and therefore the Charity also prepares its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Structure applicable in the UK and Republic of Ireland (The FRS102 Charities SORP) and The Companies Act 2006. A summary of the more important accounting policies, which have been applied consistently, is set out below.

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

b) Going Concern

The Directors 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 company to continue as a going concern. The Directors have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular the Directors have considered the charitable company's forecasts and projections and have taken account of pressures on donation income.

After making enquiries, the Directors have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Incoming Resources

Grants and donations are included when receivable.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

d) Fixed Assets and Depreciation

Assets are purchased from donations and grants provided and are shown as direct charitable expenditure from the fund concerned.

Individual tangible fixed assets costing more than £1,000 are capitalised at cost. Tangible fixed assets are stated at cost less depreciation.

All tangible fixed assets are depreciated on a straight-line basis.

Plant & machinery	Five to Ten years
Motor vehicles	Four years
Leasehold improvements	Five years

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

e) Stocks

Stocks comprise items purchased for resale and are stated at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving stock.

f) Resources Expended

Costs of charitable activities, support costs and the costs of raising funds of the charity have been allocated between these headings directly to the relevant expense for which the cost was incurred. Where costs cannot be specifically identified within one of the above categories an estimated allocation has been made.

g) Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

h) Pensions

Some staff participated in the NHS pension scheme. This is a defined benefit scheme; in the event of underfunding, liability would rest with the NHS. Contributions were charged on an accrual basis. There is an optional pension scheme for the other employees.

For each member of the Group Personal Pension Plan (GPPP) the company makes a contribution of 5% of the employee's gross salary provided the employee has made a personal contribution of at least 5%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

A third-party pension provider holds the assets of the GPPP.

i) Taxation

As the company is a registered charity, it is exempt from corporation tax on its charitable activities.

j) Cash Flow

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of the Queen Elizabeth's Foundation for Disabled People and its cash flows are consolidated into the cash flow statement of that company.

k) Unrestricted Funds

These are donations and other incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

l) Restricted Funds
These are funds to be used for the specific purposes laid down by the donor. See note 8 for more details of restricted funds. Expenditure which meets these criteria is charged to the fund.

m) Critical Accounting 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.

In view of the Directors in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

n) Other Financial Instruments

i. Cash and Cash Equivalents

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

ii. Debtors and Creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

3 TANGIBLE FIXED ASSETS

	Plant and Equipment	Motor Vehicles	Total
	£	£	£
Cost at 1.4.22	548,427	7,015	555,442
Additions	33,844	-	33,844
Disposals	(1,745)	-	(1,745)
Cost at 31.3.23	580,526	7,015	587,541
Depreciation at 1.4.22	390,446	7,015	397,461
Charge for year	73,883	-	73,883
On disposals	(1,745)	-	(1,745)
Depreciation at 31.3.23	462,584	7,015	469,599
NET BOOK VALUE at 31.3.23	117,942	-	117,942
NET BOOK VALUE at 31.3.22	157,981	-	157,981

4 STOCK

	2023	2022
	£	£
Raw materials and finished goods	92,578	95,446
	92,578	95,446

5 DEBTORS AND PREPAYMENTS

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

Amounts falling due within one year:	2023 £	2022 £
Debtors for equipment sold	13,184	21,579
Rent Deposit re Epsom premises	5,000	5,000
Prepayments & Accrued Income	3,959	-
	22,143	26,579

6 CREDITORS

All creditors are financial instruments and are measured at present value.

Amounts falling due within one year:	2023 £	2022 £
Accruals	2,605	4,276
Sundry Creditors	1,041	-
HMRC (Re VAT)	72	5,385
Amount due to parent organisation	248,724	289,575
Purchase Ledger Control	15,121	1,761
Bugzi Loan Deposit	14,150	13,450
	281,713	314,447

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

7 PROVISIONS

	2023 £	2022 £
Dilapidation Reserve	57,143	57,143
	57,143	57,143

8 STATEMENT OF FUNDS

Activity	Opening Balance £	Incoming Resources £	Resources Expended £	Closing Balance £
Unrestricted Funds:				
General Fund	6,091	312,927	296,901	22,117
Restricted Funds:				
Bugzi	48,780	174,453	223,233	-
Engineer Salaries	-	-	-	-
Students	-	-	-	-
Total All Funds	54,871	487,380	520,134	22,117

9 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Fund £	Restricted Fund £	Total Funds 2023 £
Tangible Fixed Assets	117,942	-	117,942
Current Assets	243,031	-	243,031
Current Liabilities	(338,856)	-	(338,856)
	22,117	-	22,117

	Unrestricted Fund £	Restricted Fund £	Total Funds 2022 £
Tangible fixed assets	157,981	-	157,981
Current Assets	219,699	48,780	268,480
Current Liabilities	(371,590)	-	(371,590)
	6,091	48,780	54,871

The restriction is defined to have been met if money has been spent on the activity it was intended for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

10 RECONCILIATION OF MOVEMENT IN FUNDS

	2023 Total £	2022 Total £
Opening funds	54,871	25,411
Net movements of resources in the year	(32,754)	29,460
Closing funds	22,117	54,871

11 DONATIONS AND LEGACIES

Category	2023 Unrestricted £	2023 Restricted £	2023 Total £
Trusts	65,000	78,343	143,343
Major Donors	947	-	947
Direct Mail	18,566	22,406	40,972
Corporate	677	-	677
Community	16,816	18,516	35,332
Other	13,911	55,188	69,099
	115,917	174,453	290,370

Category	2022 Unrestricted £	2022 Restricted £	2022 Total £
Trusts	68,016	140,600	208,616
Major Donors	10,000	15,000	25,000
Direct Mail	73,377	5,808	79,185
Corporate	249	31,747	31,996
Community	12,099	22,307	34,406
Other	185	-	185
	163,926	215,462	379,388

12 CHARITABLE ACTIVITES & GRANTS

All activities in the current and prior year were unrestricted.

	2023 £	2022 £
Sale of Equipment by the Charity	189,244	256,554
Business Grants	7,766	10,382
	197,010	266,936

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

13 RAISING FUNDS

In the current and prior year there were both restricted and unrestricted costs of raising funds.

	2023 Direct Costs £	2023 Staff Costs £	2023 Total Funds £
Unrestricted	15,254	-	15,254
Restricted - Bugzi	-	-	-
	15,254	-	15,254

	2022 Direct Costs £	2022 Staff Costs £	2022 Total Funds £
Unrestricted	831	12,962	13,793
Restricted - Bugzi	-	17,038	17,038
	831	30,000	30,830

14 CHARITABLE ACTIVITIES

	2023 Direct Costs £	2023 Support Costs £	2023 Total Funds £
Instant Solutions	335,358	165,655	501,013
Auditors' Remuneration inc VAT	-	3,867	3,867
	335,358	169,522	504,880

	2022 Direct Costs £	2022 Support Costs £	2022 Total Funds £
Bespoke Projects	1,326	-	1,326
TravelChair	5,161	5,887	11,048
Instant Solutions	298,808	272,383	571,191
Auditors' Remuneration inc VAT	-	2,470	2,470
	305,295	280,740	586,035

Instant Solutions include costs for Bugzi, assistive products and toy adaptations.

15 SUPPORT COSTS

	2023 Staff Costs £	2023 Other Costs £	2023 Total Funds £
TravelChair	-	-	-
Instant Solutions	187,439	(17,917)	169,522
	187,439	(17,917)	169,522

	2022 Staff Costs £	2022 Other Costs £	2022 Total Funds £
TravelChair	2,641	3,298	5,939
Instant Solutions	122,190	152,611	274,801
	124,831	155,909	280,740

The basis of the cost allocation shown above is as a proportion of the cost of each activity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (cont'd)

16 STAFF COSTS

	2023 £	2022 £
Salaries	166,673	180,309
Social Security Costs	13,784	14,129
Pension Costs	7,222	7,469
Other Costs	(240)	468
	187,439	202,375

The average number of persons employed by MERU during the year was:

	Full time 2023	Full time 2022	Part time 2023	Part time 2022
MERU	3	4	4	5

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

Included within staff costs above is £11,093 (2022: £5,119) of labour costs that have been capitalised within fixed assets.

The Trustees received no remuneration nor incurred any reimbursable expenses in either year.

Key management personnel includes eight employees; Financial Officer, Design Engineers and Project Leaders and the Engineering Team Leader. Remuneration for key management personnel was £159,952 for the year (2022: £182,375).

17 OPERATING INCOME

	2023 £	2022 £
Surplus before Auditors Remuneration and Depreciation of Fixed Assets	44,996	124,056
Auditor's Remuneration	3,867	2,470
Depreciation of Tangible Fixed Assets	73,883	92,126
	(32,754)	29,460

18 RELATED PARTY TRANSACTIONS

Medical Engineering Resource Unit is a 100% owned subsidiary of Queen Elizabeth Foundation for Disabled People. Transactions with parent company are follows: QEF management fee charged £75,770 (2022: £113,856). There were no other group transactions in the year.

Included within creditors at year end for MERU are the following balances with the group of charities:

	2023	2022
Queen Elizabeth's Foundation for Disabled People	(248,724)	(289,575)
	(248,724)	(289,575)

19 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Queen Elizabeth's Foundation for Disabled People, a company incorporated in England and Wales (charity number: 251051) . The immediate and ultimate controlling party is Queen Elizabeth's Foundation for Disabled People, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. These accounts can be obtained from The Company Secretary, Leatherhead Court, Woodlands Road, Leatherhead, Surrey KT22 0BN.

Queen Elizabeth's Foundation for Disabled People (QEF) is a leading national charity with over 80 years' experience of developing innovative services which enable and support people with disabilities to increase independence and improve opportunities for life.

QEF can exercise control over MERU through corporate ownership and power to appoint/remove directors or trustees.

MEDICAL ENGINEERING RESOURCE UNIT

England & Wales - Charity number 269804

Accounts

from disabilities to possibilities

Medical Engineering Resource Unit

Financial Statements

For the year ended 31 March 2022

CHARITY NO. 269804

COMPANY REGISTRATION NO. 1214125

QEF Queen Elizabeth's Foundation for Disabled People

Enabling Potential

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2022

PATRONS	LAURENCE LLEWELLYN BOWEN SIR RICHARD STILGOE OBE DL
BOARD OF TRUSTEES	MOIRA BOWIE GORDON BOWSER ALICE COLLINS MICHAEL CONNAUGTON TIMOTHY JASON DAVIES JOHN DENNING PETER GORDON (resigned 31 May 2021) ABIGAIL PRICE ELIZABETH SHARP
DIRECTORS	MOIRA BOWIE GORDON BOWSER (appointed 15 June 2021) TIMOTHY JASON DAVIES PETER GORDON (resigned 31 May 2021)
COMPANY SECRETARY	PHILIP KIRK
REGISTERED OFFICE	LEATHERHEAD COURT WOODLANDS ROAD LEATHERHEAD, SURREY, KT22 0BN
BANKERS	CAF BANK LTD 25 KINGS HILL AVENUE KINGS HILL WEST MALLING KENT ME19
INDEPENDENT AUDITORS	MOORE KINGSTON SMITH LLP 9 APPOLD STREET LONDON EC2A 2AP

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TRUSTEES' REPORT

The Trustees are pleased to present their Report and Financial Statements for the year ended 31st March 2022. The accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014. The report and statements also comply with the Companies Act 2006.

History

On 1st April 2012 Medical Engineering Resource Unit (MERU) became a member of the Queen Elizabeth's Foundation for Disabled People (QEF) family of charities and QEF is the sole trustee of MERU. In this report, reference to 'Trustees' means the Board of Trustees of QEF.

The aim of the merger was to be able to enhance the range of services on offer from both charities.

QEF is a national charity working with people living with physical and learning disabilities or acquired brain injuries, to gain new skills and increase independence. MERU has continued its work of providing innovative equipment which started at Queen Mary's Hospital for Children 40 years ago. QEF and MERU both support disabled people to achieve goals for life and realise their full potential.

Vision and Strategic Direction

- MERU care deeply about helping young people with disabilities who are striving to enhance their ability to grow and achieve personal fulfilment.
- MERU's core solutions are aimed at serving the unique needs of individuals for whom standard equipment solutions are inadequate.
- MERU foster an environment of innovation and creativity to deliver both the quality and efficacy of solutions in a timely manner.
- All equipment is manufactured to the highest possible standards and compliant with the latest legislation in this field.
- MERU draw on the widest possible range of expertise in engineering, design and disability, bringing new skills and experience into the organisation whenever possible.
- No child will be denied help on the grounds of cost, but where appropriate, statutory agencies will be expected to make a contribution.
- All employees, volunteers and clients of MERU are ambassadors for the organisation.

MAIN ACTIVITIES

All charitable activities focus on enabling children and young people with disabilities to take a more active, independent role in society through the provision of innovative aids. They are undertaken to further MERU's charitable

purposes for the public benefit. This objective falls within the guidance contained in the Charity Commission's general guidance on public benefit and this guidance has been taken into account when planning MERU's future.

MERU offers a free loan scheme for our children's mini powered wheelchairs known as Bugzis. Following an assessment, Bugzis are available for the family to take home and use for as long as the child need it. It is then returned, refurbished and reloaned to another child.

A wide range of assistive products are available to purchase as well as adaptations to toys. MERU stopped providing one-off engineering services during 2020 and these are no longer available. MERU provides a toy adaptation service to one distribution partner in the UK.

Between April 2021 and March 2022, MERU helped 8300 disabled people through the provision of its innovative products and services.

Bugzi loan scheme

61 children received a Bugzi through the Bugzi Loan Scheme between April 2021 and March 2022. The school based Bugzi Club was run in 5 schools in the South East in 2021-22, helping 19 children access independent mobility at school.

We provided 11 new Bugzis this year for the loan scheme and sold 5 in the UK and abroad. A total of 54 Bugzis were refurbished throughout the year. There were 61 Bugzi assessments carried out during the year – 34 of which were at QEF/or at one of the 5 Bugzi School Squads covered by Surrey, with the remaining 12 taking place at our partner centres.

Outreach and partnerships

MERU's outreach work is carefully targeted to increase referrals and to support fundraising activities. MERU has continued to foster partnerships with charities and organisations who work directly with disabled children to ensure every child who needs MERU's services knows how to access them. There are now partnerships with organisations in Glasgow, Leeds, Birmingham, Truro, Thetford, London, Northern Ireland, St Helens, Newcastle, Aylesbury Derby and South Wales.

MERU is also a member of the BHTA Paediatric Equipment Section with other manufacturers and providers of Medical Devices.

Fundraising and Marketing

Despite the challenging fundraising environment, overall funds raised totalled £379k (2021: £334k) of which £215k was raised specifically to build Bugzis. New appointments and a new strategy in the Engagements and Partnerships team will further develop relationships with corporate and community partners in the coming year, which is expected to increase support.

Volunteers and Support

MERU's charitable activity is undertaken by our dedicated engineers and support staff. Volunteers are also a key part of the MERU story, in the workshop, in the office, in fundraising activities and as ambassadors for the charity.

By opening the workshops to volunteers we have been able to recruit highly skilled engineers and designers who work for local engineering companies. This team is now responsible for much of our commercial output and have been instrumental in providing the toy adaptation service.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is a company limited by guarantee. The governing documents are the Memorandum and Articles of Association. MERU is registered as a charity with the Charity Commission. The Trustees oversee the governance, management and administration of MERU.

Trustees

Trustees are elected by Members of QEF or co-opted by the Trustees, based on how their skill set and experience can benefit QEF and further improve the knowledge of the Board. A formal recruitment and selection process is agreed by the Board in advance of all appointments and is in line with best practice guidance.

As stated in the Memorandum and Articles of Association, one third (or the number nearest one third) of the Trustees must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. A retiring Trustee who is eligible may be re-elected. If at the date of the AGM a Trustee has held office for nine consecutive years, since first election, they may not be re-elected, except in exceptional circumstance of there being no other person eligible to be a Trustee and acceptable to the Members as such.

The Trustees delegate day to day management and administration of MERU to the Chief Executive and Senior Management Team of QEF and the staff of MERU.

Risk Management

The Trustees regularly examine the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Risk	How this is expected to be managed
MERU remain heavily reliant on charitable donations to fund operations. There is diminishing availability and increasing competition for these funds.	MERU are increasing the proportion of income that is self-generated year on year and work closely with QEF Engagements and Partnerships team to support fundraising initiatives.
The legislative environment for medical devices is changing, with new EU regulation implemented in May 2021 and UK regulation yet to be defined post-Brexit. This affects the compliance status of key products such as Bugzi.	MERU have been preparing the necessary documentation to support compliance testing early in April 2022. This will enable Bugzi and Moozi, two key medical devices, to retain the EU CE mark and continue to be supplied in the UK and EU markets. A new Quality role was created in 2021 for one staff member to reflect the importance of this task.
Continued pressure on supply lines due to post-Covid demand on shipping, and continued lockdowns in China, means that the availability of key components remains a challenge.	MERU are continually assessing stock requirements and planning increased lead times into production schedules. The use of alternative suppliers and/or materials is considered on a case by case basis.

FINANCIAL REVIEW

Income and Expenditure

Income from charitable activities (Ready-made Products, Bugzis and Travel Chairs) increased to £267k in 2022 (2021 - £174k) as the centre was reopened for the full year after the COVID-19 pandemic. Despite the challenging environment, income from donations increased by £46k to £379k in 2022 (2021 334k).

Overall, MERU managed to increase total income by £46k to £646k in 2022 (2021 £600k). However, there was also an increase in operating expenditure of £25k to £617k (2021 £592k), resulted in a slight improvement in net operating income from £8k in 2021 to £29k in 2022.

Balance Sheet

The net book value of fixed assets reduced from £196k to £158k, a decrease of £38k. This reflects the disposal of further equipment following the closure of the engineering services in the prior year, coupled with the continued depreciation of the Bugzis.

Stock has also increased slightly as the Readymade business continues to grow.

The cash balance increased was broadly the same as the prior year at 146k (2021 £158k).

Reserves policy

The Board of Trustees reviews the reserves policy of MERU on an annual basis. The reserves include unrestricted and restricted reserves. An analysis of the reserves is shown in note 9 of the financial statements.

The reserves policy is determined after assessing the capital requirements, considering the nature and timing of income and expenditure streams and by reviewing the specific business risks identified through the risk management process. The Board of Trustees aims to maintain a level of unrestricted reserves not tied up in fixed assets or free reserves which it believes will be sufficient to ensure the operational efficiency of the charity.

The Board of Trustees has concluded that, given the current economic situation, the level of free reserves at the year-end should be three months' worth of operating expenditure. The actual level of free reserves is defined as the unrestricted net current assets (-£152k see note 9) divided by the average monthly operating expenditure (£51k see SOFA).

However, the parent company, QEF, calculates the resources required for the whole QEF Group, which includes its subsidiaries and specifically MERU. QEF will ensure that MERU has adequate reserves at all times.

Investment policy

Any cash reserves have been deposited in a current account for ease of access. No reserves have been available for investment.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required to prepare financial statements for each financial period which give a true and fair view of the financial activities of the charity and of its financial position at the end of that period.

In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The Trustees are responsible for keeping proper accounting records which 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 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.

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.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

Auditors

The auditors, Moore Kingston Smith LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

Small Company Rules

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Trustees on 29 November 2022 and signed on its behalf.

G Bowser
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL ENGINEERING RESOURCE UNIT

Opinion

We have audited the financial statements of Medical Engineering Resource Unit for the year ended 31st March 2022 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and the Directors' 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 Strategic Report and the Directors' 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 directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.

- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as

fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the 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 anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP Date: 5/12/2022

Chartered Accountants
Statutory Auditor

9 Appold Street
London
EC2A 2AP

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	3		157,981		195,940
			157,981		195,940
Current assets					
Stocks	4	95,446		63,443	
Debtors	5	26,579		50,927	
Cash at bank and in hand		146,455		158,281	
		268,480		272,651	
Creditors					
Amounts falling due within one year	6	(314,447)		(386,037)	
Net current assets			(45,967)		(113,386)
Total assets less current liabilities			112,014		82,554
Provisions	7		(57,143)		(57,142)
Net asset or liabilities			54,871		25,412
Accumulated funds					
Restricted funds	9		48,780		23,994
Unrestricted funds	9		6,091		1,418
Total accumulated funds			54,871		25,412

Approved by the Trustees on 29 November 2022 and signed on its behalf by:

G Bowser
Director

The annexed notes form part of these financial statements

Company Registration Number: 1214125

MEDICAL ENGINEERING RESOURCE UNIT

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 Unrestricted Funds	2022 Restricted Funds	2022 Total Funds	2021 Total Funds
		£	£	£	£
INCOME:					
Donations and legacies	11	163,927	215,461	379,388	334,170
Charitable activities	12	256,554	-	256,554	174,169
Business Grants	12	10,382	-	10,382	91,568
Total Operating Income		430,863	215,461	646,324	599,907
EXPENDITURE:					
Raising funds	13	13,792	17,038	30,830	25,023
Charitable activities	14	412,397	173,638	586,035	566,766
Total Operating Expenditure		426,190	190,675	616,865	591,789
Net Operating (Expenditure)/Income		4,673	24,786	29,459	8,118
Reconciliation of funds:					
Total funds brought forward		1,418	23,994	25,412	17,293
Total funds carried forward		6,091	48,780	54,871	25,411

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Company Status

The Company is limited by guarantee, has no share capital and is also a registered charity. The liability of each member is limited to a sum of no more than £1 in the event of a winding up.

2. Principle Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The company is a public benefit entity for the purposes of FRS102 and therefore the Charity also prepares its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Structure applicable in the UK and Republic of Ireland (The FRS102 Charities SORP) and The Companies Act 2006. A summary of the more important accounting policies, which have been applied consistently, is set out below.

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

b) 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 company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donation income.

The trustees recognise that COVID-19 poses challenges but will continue to utilise all government support available where appropriate. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Incoming Resources

Grants and donations are included when receivable.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (cont'd)

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

d) Fixed Assets and Depreciation

Assets are purchased from donations and grants provided and are shown as direct charitable expenditure from the fund concerned.

Individual tangible fixed assets costing more than £1,000 are capitalised at cost. Tangible fixed assets are stated at cost less depreciation.

All tangible fixed assets are depreciated on a straight-line basis.

Plant & machinery	Five to Ten years
Motor vehicles	Four years
Leasehold improvements	Five years

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

e) Stocks

Stocks comprise items purchased for resale and are stated at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving stock.

f) Resources Expended

Costs of charitable activities, support costs and the costs of raising funds of the charity have been allocated between these headings directly to the relevant expense for which the cost was incurred. Where costs cannot be specifically identified within one of the above categories an estimated allocation has been made.

g) Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

h) Pensions

Some staff participated in the NHS pension scheme. This is a defined benefit scheme; in the event of underfunding, liability would rest with the NHS. Contributions were charged on an accrual basis. There is an optional pension scheme for the other employees.

For each member of the Group Personal Pension Plan (GPPP) the company makes a contribution of 5% of the employee's gross salary provided the employee has made a personal contribution of at least 5%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (cont'd)

A third-party pension provider holds the assets of the GPPP.

i) Taxation

As the company is a registered charity, it is exempt from corporation tax on its charitable activities.

j) Cash Flow

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of the Queen Elizabeth's Foundation for Disabled People and its cash flows are consolidated into the cash flow statement of that company.

k) Unrestricted Funds

These are donations and other incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

l) Restricted Funds
These are funds to be used for the specific purposes laid down by the donor. See note 8 for more details of restricted funds. Expenditure which meets these criteria is charged to the fund.

m) Critical Accounting 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.

In view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

n) Other Financial Instruments

i. Cash and Cash Equivalents

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

ii. Debtors and Creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (cont'd)

3 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Plant and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost at 1.4.21	-	514,260	7,015	521,275
Additions	-	72,385	-	72,385
Disposals	-	(38,218)	-	(38,218)
Cost at 31.3.22	-	548,427	7,015	555,442
Depreciation at 1.4.21	-	318,398	6,937	325,335
Charge for year	-	92,048	78	92,126
On disposals	-	(20,000)	-	(20,000)
Depreciation at 31.3.22	-	390,446	7,015	397,461
NET BOOK VALUE at 31.3.22	-	157,981	-	157,981
NET BOOK VALUE at 31.3.21	-	195,862	78	195,940

4 STOCK

	2022	2021
	£	£
Raw materials and finished goods	95,446	63,443
	95,446	63,443

5 DEBTORS AND PREPAYMENTS

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

Amounts falling due within one year:	2022 £	2021 £
Debtors for equipment sold	21,579	45,927
Rent Deposit re Epsom premises	5,000	5,000
Prepayments	-	-
	26,579	50,927

6 CREDITORS

All creditors are financial instruments and are measured at present value.

Amounts falling due within one year:	2022 £	2021 £
Accruals	4,276	4,990
HMRC (Re VAT)	5,385	10,352
Amount due to parent organisation	289,575	349,512
Purchase Ledger Control	1,761	983
Bugzi Loan Deposit	13,450	20,200
	314,447	386,037

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (cont'd)

7 PROVISIONS

	2022 £	2021 £
Dilapidation Reserve	57,142	57,142
	57,142	57,142

8 STATEMENT OF FUNDS

Activity	Opening Balance £	Incoming Resources £	Resources Expended £	Closing Balance £
Unrestricted Funds:				
General Fund	1,418	430,864	426,191	6,091
Restricted Funds:				
Bugzi	23,994	215,461	190,675	48,780
Engineer Salaries	-	-	-	-
Students	-	-	-	-
Total All Funds	25,412	646,325	616,866	54,871

9 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Fund £	Restricted Fund £	Total Funds 2022 £
Tangible Fixed Assets	157,981	-	157,981
Current Assets	219,699	48,780	268,480
Current Liabilities	(371,590)	-	(371,590)
	6,091	48,780	54,871

	Unrestricted Fund £	Restricted Fund £	Total Funds 2021 £
Tangible fixed assets	195,940	-	195,940
Current Assets	248,658	23,993	272,651
Current Liabilities	(443,180)	-	(443,180)
	1,418	23,993	25,411

The restriction is defined to have been met if money has been spent on the activity it was intended for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (cont'd)

10 RECONCILIATION OF MOVEMENT IN FUNDS

	2022 Total £	2021 Total £
Opening funds	25,411	17,293
Net movements of resources in the year	29,460	8,118
Closing funds	54,871	25,411

11 DONATIONS AND LEGACIES

Category	2022 Unrestricted £	2022 Restricted £	2022 Total £
Trusts	68,016	140,600	208,616
Major Donors	10,000	15,000	25,000
Direct Mail	73,377	5,808	79,185
Corporate	249	31,747	31,996
Community	12,099	22,307	34,406
Other	186	-	186
	163,928	215,462	379,389

Category	2021 Unrestricted £	2021 Restricted £	2021 Total £
Trusts	91,775	66,820	158,595
Major Donors	-	15,750	15,750
Direct Mail	31	912	943
Corporate	8,746	10,743	19,489
Community	29,471	(6,461)	23,010
Event	16,383	-	16,383
Other	100,000	-	100,000
	246,406	87,764	334,170

12 CHARITABLE ACTIVITES & GRANTS

All activities in the current and prior year were unrestricted.

	2022 £	2021 £
Sale of Equipment by the Charity	256,554	174,169
Business Grants	10,382	91,568
	266,936	265,737

Business grants in 2021 comprises income from the Coronavirus Job Retention Scheme

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (cont'd)

13 RAISING FUNDS

In the current and prior year there were both restricted and unrestricted costs of raising funds.

	2022 Direct Costs £	2022 Staff Costs £	2022 Total Funds £
Unrestricted	831	12,962	13,793
Restricted - Bugzi	-	17,038	17,038
	831	30,000	30,831

	2021 Direct Costs £	2021 Staff Costs £	2021 Total Funds £
Unrestricted	5,023	10,808	15,831
Restricted - Bugzi	-	9,192	9,192
	5,023	20,000	25,023

14 CHARITABLE ACTIVITIES

	2022 Direct Costs £	2022 Support Costs £	2022 Total Funds £
Bespoke Projects	1,325	-	1,325
TravelChair	5,161	5,887	11,048
Instant Solutions	298,808	272,383	571,191
Auditors' Remuneration inc VAT	-	2,470	2,470
	305,294	280,740	586,034

	2021 Direct Costs £	2021 Support Costs £	2021 Total Funds £
Bespoke Projects	121,395	55,717	177,112
TravelChair	-	-	-
Instant Solutions	257,367	130,007	387,374
Auditors' Remuneration inc VAT	-	2,280	2,280
	378,762	188,004	566,766

Instant Solutions include costs for Bugzi, assitive products and toy adaptations.

15 SUPPORT COSTS

	2022 Staff Costs £	2022 Other Costs £	2022 Total Funds £
Bespoke Projects	-	-	-
TravelChair	2,641	3,298	5,939
Instant Solutions	122,190	152,611	274,801
	124,831	155,909	280,740

	2021 Staff Costs £	2021 Other Costs £	2021 Total Funds £
Bespoke Projects	23,045	33,356	56,401
TravelChair	-	-	-
Instant Solutions	53,772	77,831	131,603
	76,817	111,187	188,004

The basis of the cost allocation shown above is as a proportion of the cost of each activity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (cont'd)

16 STAFF COSTS

	2022 £	2021 £
Salaries	180,309	89,732
Social Security Costs	14,129	18,307
Pension Costs	7,469	12,998
Other Costs	468	492
	202,375	121,529

The average number of persons employed by MERU during the year was:

	Full time 2022	Full time 2021	Part time 2022	Part time 2021
MERU	4	5	5	3

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

Included within staff costs above is £5,119 (2021: £9,199) of labour costs that have been capitalised within fixed assets.

The Trustees received no remuneration nor incurred any reimbursable expenses in either year.

Key management personnel includes ten employees; Financial Officer, seven Design Engineers and Project Leaders and the Engineering Team Leader. Remuneration for key management personnel was £182,375 for the year (2021: £86,413).

17 OPERATING INCOME

	2022 £	2021 £
Surplus before Auditors Remuneration and Depreciation of Fixed Assets	124,056	102,684
Auditor's Remuneration	2,470	2,280
Depreciation of Tangible Fixed Assets	92,126	92,286
	29,460	8,118

18 RELATED PARTY TRANSACTIONS

Medical Engineering Resource Unit is a 100% owned subsidiary of Queen Elizabeth Foundation for Disabled People. Transactions with parent company are follows: QEF management fee charged £113,856 (2021: £28,856). There were no other group transactions in the year.

Included within creditors at year end for MERU are the following balances with the group of charities:

	2022	2021
Queen Elizabeth's Foundation for Disabled People	(288,565)	(349,512)
	(288,565)	(349,512)

19 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Queen Elizabeth's Foundation for Disabled People, a company incorporated in England and Wales (charity number: 251051) . The immediate and ultimate controlling party is Queen Elizabeth's Foundation for Disabled People, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. These accounts can be obtained from The Company Secretary, Leatherhead Court, Woodlands Road, Leatherhead, Surrey KT22 0BN.

Queen Elizabeth's Foundation for Disabled People (QEF) is a leading national charity with over 80 years' experience of developing innovative services which enable and support people with disabilities to increase independence and improve opportunities for life.

MEDICAL ENGINEERING RESOURCE UNIT

England & Wales - Charity number 269804

Accounts

from disabilities to possibilities

Medical Engineering Resource Unit

Financial Statements

For the year ended 31 March 2021

CHARITY NO. 269804

COMPANY REGISTRATION NO. 1214125

QEF queen elizabeth's foundation for disabled people

achieving goals for life
qef.org.uk

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2021

PATRONS	LAURENCE LLEWELLYN BOWEN SIR RICHARD STILGOE OBE DL
BOARD OF TRUSTEES	MOIRA BOWIE GORDON BOWSER ALICE COLLINS MICHAEL CONNAUGTON TIMOTHY JASON DAVIES JOHN DENNING PETER GORDON (resigned 31 May 2021) ABIGAIL PRICE LYNN SCOTCHER (resigned 10 December 2020) ELIZABETH SHARP
DIRECTORS	MOIRA BOWIE GORDON BOWSER (appointed 15 June 2021) TIMOTHY JASON DAVIES PETER GORDON (resigned 31 May 2021)
COMPANY SECRETARY	PHILIP KIRK
REGISTERED OFFICE	LEATHERHEAD COURT WOODLANDS ROAD LEATHERHEAD, SURREY, KT22 0BN
BANKERS	CAF BANK LTD 25 KINGS HILL AVENUE KINGS HILL WEST MALLING KENT ME19
INDEPENDENT AUDITORS	MOORE KINGSTON SMITH LLP DEVONSHIRE HOUSE 60 GOSWELL ROAD LONDON EC1M 7A

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TRUSTEES' REPORT

The Trustees are pleased to present their Report and Financial Statements for the year ended 31st March 2021. The accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014. The report and statements also comply with the Companies Act 2006.

History

On 1st April 2012 Medical Engineering Resource Unit (MERU) became a member of the Queen Elizabeth's Foundation for Disabled People (QEF) family of charities and QEF is the sole trustee of MERU. In this report, reference to 'Trustees' means the Board of Trustees of QEF.

The aim of the merger was to be able to enhance the range of services on offer from both charities.

QEF is a national charity working with people living with physical and learning disabilities or acquired brain injuries, to gain new skills and increase independence. MERU has continued its work of providing innovative equipment which started at Queen Mary's Hospital for Children 40 years ago. QEF and MERU both support disabled people to achieve goals for life and realize their full potential.

Vision and Strategic Direction

- MERU care deeply about helping young people with disabilities who are striving to enhance their ability to grow and achieve personal fulfilment.
- MERU's core solutions are aimed at serving the unique needs of individuals for whom standard equipment solutions are inadequate.
- MERU foster an environment of innovation and creativity to deliver both the quality and efficacy of solutions in a timely manner.
- All equipment is manufactured to the highest possible standards and compliant with the latest legislation in this field.
- MERU draw on the widest possible range of expertise in engineering, design and disability, bringing new skills and experience into the organisation whenever possible.
- No child will be denied help on the grounds of cost, but where appropriate, statutory agencies will be expected to make a contribution.
- All employees, volunteers and clients of MERU are ambassadors for the organisation.

MAIN ACTIVITIES

All charitable activities focus on enabling children and young people with disabilities to take a more active, independent role in society through the provision of innovative aids. They are undertaken to further MERU's charitable

purposes for the public benefit. This objective falls within the guidance contained in the Charity Commission's general guidance on public benefit and this guidance has been taken into account when planning MERU's future.

MERU offers a free loan scheme for our children's mini powered wheelchairs known as Bugzis. Following an assessment, Bugzis are available for the family to take home and use for as long as the child need it. It is then returned, refurbished and reloaned to another child.

A wide range of bespoke, assistive products are available to purchase as well as adaptions to toys. MERU stopped providing engineering services during the year and these are no longer available.

Due to the COVID-19 pandemic, the centre was closed between March 2020 and August 2020 and staff were furloughed. The team returned full time in October 2020.

Between April 2020 and March 2021, MERU helped over 3,700 disabled people through the provision of its innovative products and services.

Bugzi loan scheme

26 children received a Bugzi through the Bugzi Loan Scheme between April 2020 and March 2021. The school based Bugzi Club was not in operation during the year due to the COVID-19 pandemic.

We provided 10 new Bugzis this year; 6 for the loan scheme and 4 were sold. A total of 26 Bugzis were refurbished throughout the year. There were 26 Bugzi assessments carried out during the year – 14 of which were at QEF with the remaining 12 taking place at our partner centres.

Outreach and partnerships

MERU's outreach work is carefully targeted to increase referrals and to support fundraising activities. MERU has continued to foster partnerships with charities and organisations who work directly with disabled children to ensure every child who needs MERU's services knows how to access them. There are now partnerships with organisations in Glasgow, Leeds, Birmingham, Truro, Thetford, London, Northern Ireland, St Helens, Newcastle, Aylesbury and Derby.

MERU is also a member of the BHTA Paediatric Equipment Section with other manufacturers and providers of Medical Devices.

Fundraising and Marketing

Despite the challenging fundraising environment, overall funds raised totalled £334k (2020: £336k) of which £88k was raised specifically to build Bugzis. New appointments and a new strategy in the Engagements and Partnerships team

will further develop relationships with corporate and community partners in the coming year, which is expected to increase support.

Volunteers and Support

MERU's charitable activity is undertaken by our dedicated engineers and support staff. Volunteers are also a key part of the MERU story, in the workshop, in the office, in fundraising activities and as ambassadors for the charity.

By opening the workshops to volunteers we have been able to recruit highly skilled engineers and designers who work for local engineering companies. This team is now responsible for much of our commercial output and have been instrumental in providing the toy adaptation service.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Charity is a company limited by guarantee. The governing documents are the Memorandum and Articles of Association. MERU is registered as a charity with the Charity Commission. The Trustees oversee the governance, management and administration of MERU.

Trustees

Trustees are elected by Members of QEF or co-opted by the Trustees, based on how their skill set and experience can benefit QEF and further improve the knowledge of the Board. A formal recruitment and selection process is agreed by the Board in advance of all appointments and is in line with best practice guidance.

As stated in the Memorandum and Articles of Association, one third (or the number nearest one third) of the Trustees must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. A retiring Trustee who is eligible may be re-elected. If at the date of the AGM a Trustee has held office for nine consecutive years, since first election, they may not be re-elected, except in exceptional circumstance of there being no other person eligible to be a Trustee and acceptable to the Members as such.

The Trustees delegate day to day management and administration of MERU to the Chief Executive and Senior Management Team of QEF and the staff of MERU.

Risk Management

The Trustees regularly examine the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Risk	How this is expected to be managed
MERU remain heavily reliant on charitable donations to fund operations. There is diminishing availability and increasing competition for these funds.	MERU are increasing the proportion of income that is self-generated year on year and work closely with QEF Engagements and Partnerships team to support fundraising initiatives.

FINANCIAL REVIEW

Income and Expenditure

Income from charitable activities (Engineering Services, Ready-made Products, Bugzis and Travel Chairs) decreased to £174k in 2021 (2020 - £265k) as the centre was closed for part of the year due to the COVID-19 pandemic. The reduction was offset by government coronavirus support grant income of £92k. Despite the challenging environment, income from donations was broadly consistent with prior year at £334k (2020 - £336k).

Overall, MERU managed to maintain total income at £600k (2020 £601k). This, coupled with a decrease in operating expenditure from £630k to £592k, resulted in an improvement in net operating income from a deficit of £28k in 2020 to a surplus of £8k in 2021.

Balance Sheet

The net book value of fixed assets reduced from £268k to £196k, a decrease of £72k. This reflects the disposal of equipment following the closure of the engineering services during the year, coupled with a reduced requirement for new equipment following the relocation of MERU to a smaller site within QEF property.

Stock has also decreased slightly due to tighter stock controls; there is less space available at the new premises to hold large quantities of stock.

The cash balance increased from £22k to £158k reflecting the sale proceeds from fixed assets, coupled with a reduction in capex and lower levels of working capital.

Reserves policy

The Board of Trustees reviews the reserves policy of MERU on an annual basis. The reserves include unrestricted and restricted reserves. An analysis of the reserves is shown in note 9 of the financial statements.

The reserves policy is determined after assessing the capital requirements, considering the nature and timing of income and expenditure streams and by reviewing the specific business risks identified through the risk management process. The Board of Trustees aims to maintain a level of unrestricted reserves

not tied up in fixed assets or free reserves which it believes will be sufficient to ensure the operational efficiency of the charity.

The Board of Trustees has concluded that, given the current economic situation, the level of free reserves at the year-end should be three months' worth of operating expenditure. The actual level of free reserves is defined as the unrestricted net current assets (-£195k see note 9) divided by the average monthly operating expenditure (£44k see SOFA).

However, the parent company, QEF, calculates the resources required for the whole QEF Group, which includes its subsidiaries and specifically MERU. QEF will ensure that MERU has adequate reserves at all times.

Investment policy

Any cash reserves have been deposited in a current account for ease of access. No reserves have been available for investment.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required to prepare financial statements for each financial period which give a true and fair view of the financial activities of the charity and of its financial position at the end of that period.

In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The Trustees are responsible for keeping proper accounting records which 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 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.

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.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

Auditors

The auditors, Moore Kingston Smith LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

Small Company Rules

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Trustees on 24 November 2021 and signed on its behalf.

T J Davies
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL ENGINEERING RESOURCE UNIT

Opinion

We have audited the financial statements of Medical Engineering Resource Unit for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2021 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most

significant are the Companies Act 2006 and the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.

Moore Kingston Smith LLP

7 December 2021 [Date]

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

MEDICAL ENGINEERING RESOURCE UNIT

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	3		195,940		268,166
			195,940		268,166
Current assets					
Stocks	4	63,443		86,739	
Debtors	5	50,927		83,293	
Cash at bank and in hand		158,281		22,026	
		272,651		192,058	
Creditors					
Amounts falling due within one year	6	(386,037)		(385,789)	
Net current assets			(113,386)		(193,731)
Total assets less current liabilities			82,554		74,435
Provisions	7		(57,142)		(57,142)
Net asset or liabilities			25,412		17,293
Accumulated funds					
Restricted funds	9		23,993		4,566
Unrestricted funds	9		1,418		12,727
Total accumulated funds			25,411		17,293

Approved by the Trustees on 24 November 2021 and signed on its behalf by:

TJ Davies

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TJ Davies
Director

The annexed notes form part of these financial statements

Company Registration Number: 1214125

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Unrestricted Funds	2021 Restricted Funds	2021 Total Funds	2020 Total Funds
		£	£	£	£
INCOME:					
Donations and legacies	11	246,406	87,764	334,170	336,115
Charitable activities	12	174,169	-	174,169	265,375
Business Grants	12	91,568		91,568	-
Total Operating Income		512,143	87,764	599,907	601,490
EXPENDITURE:					
Raising funds	13	15,831	9,192	25,023	83,308
Charitable activities	14	507,621	59,145	566,766	546,512
Total Operating Expenditure		523,452	68,337	591,789	629,820
Net Operating Income		(11,309)	19,427	8,119	(28,330)
Reconciliation of funds:					
Total funds brought forward		12,727	4,566	17,293	45,623
Total funds carried forward		1,418	23,993	25,411	17,293

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Company Status

The Company is limited by guarantee, has no share capital and is also a registered charity. The liability of each member is limited to a sum of no more than £1 in the event of a winding up.

2. Principle Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The company is a public benefit entity for the purposes of FRS102 and therefore the Charity also prepares its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Structure applicable in the UK and Republic of Ireland (The FRS102 Charities SORP) and The Companies Act 2006. A summary of the more important accounting policies, which have been applied consistently, is set out below.

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

b) 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 company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on donation income.

The trustees recognise that COVID-19 poses unique challenges, but will continue to utilise all government support available, including furloughing staff where appropriate. Fundraising events have continued to be online and a specific COVID risk assessment for MERU is available. Procedures to maintain social distancing, enhance cleaning and facilitate home working have been continued to minimise risk. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Incoming Resources

Grants and donations are included when receivable.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

d) Fixed Assets and Depreciation

Assets are purchased from donations and grants provided and are shown as direct charitable expenditure from the fund concerned.

Individual tangible fixed assets costing more than £1,000 are capitalised at cost. Tangible fixed assets are stated at cost less depreciation.

All tangible fixed assets are depreciated on a straight-line basis.

Plant & machinery	Five to Ten years
Motor vehicles	Four years
Leasehold improvements	Five years

At the end of each accounting period the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

e) Stocks

Stocks comprise items purchased for resale and are stated at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving stock.

f) Resources Expended

Costs of charitable activities, support costs and the costs of raising funds of the charity have been allocated between these headings directly to the relevant expense for which the cost was incurred. Where costs cannot be specifically identified within one of the above categories an estimated allocation has been made.

g) Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

h) Pensions

Some staff participate in the NHS pension scheme. This is a defined benefit scheme; in the event of underfunding, liability would rest with the NHS. Contributions are charged on an accrual basis. There is an optional pension scheme for the other employees.

For each member of the Group Personal Pension Plan (GPPP) the company makes a contribution of 5% of the employee's gross salary provided the employee has made a personal contribution of at least 5%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

A third-party pension provider holds the assets of the GPPP.

i) Taxation

As the company is a registered charity, it is exempt from corporation tax on its charitable activities.

j) Cash Flow

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of the Queen Elizabeth's Foundation for Disabled People and its cash flows are consolidated into the cash flow statement of that company.

k) Unrestricted Funds

These are donations and other incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

l) Restricted Funds

These are funds to be used for the specific purposes laid down by the donor. See note 8 for more details of restricted funds. Expenditure which meets these criteria is charged to the fund.

m) Critical Accounting 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.

In view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

n) Other Financial Instruments

i. Cash and Cash Equivalents

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

ii. Debtors and Creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

3 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Plant and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost at 1.4.20	64,118	565,057	7,015	636,190
Additions	-	40,913	-	40,913
Disposals	(64,118)	(91,710)	-	(155,828)
Cost at 31.3.21	-	514,260	7,015	521,275
Depreciation at 1.4.20	64,118	297,417	6,489	368,024
Charge for year	-	91,838	449	92,286
On disposals	(64,118)	(70,857)	-	(134,975)
Depreciation at 31.3.21	-	318,398	6,938	325,335
NET BOOK VALUE at 31.3.21	-	195,862	77	195,940
NET BOOK VALUE at 31.3.20	-	267,640	526	268,166

4 STOCK

	2021	2020
	£	£
Raw materials and finished goods	63,443	86,739
	63,443	86,739

5 DEBTORS AND PREPAYMENTS

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

Amounts falling due within one year:	2021 £	2020 £
Debtors for equipment sold	45,927	55,846
Rent Deposit re Epsom premises	5,000	5,000
Prepayments	-	22,447
	50,927	83,293

6 CREDITORS

All creditors are financial instruments and are measured at present value.

Amounts falling due within one year:	2021 £	2020 £
Accruals	4,990	5,003
Sundry Creditors	-	13,601
HMRC (Re VAT)	10,352	11,197
Amount due to parent organisation	349,512	347,202
Purchase Ledger Control	983	(4,013)
Bugzi Loan Deposit	20,200	12,800
	386,037	385,789

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

7 PROVISIONS

	2021 £	2020 £
Dilapidation Reserve	57,142	57,142
	57,142	57,142

8 STATEMENT OF FUNDS

Activity	Opening Balance £	Incoming Resources £	Resources Expended £	Closing Balance £
Unrestricted Funds:				
General Fund	12,726	512,144	523,452	1,418
Restricted Funds:				
Bugzi	-	87,766	63,772	23,994
Engineer Salaries	-	-	-	-
Students	4,566	-	4,566	-
Total All Funds	17,293	599,909	591,790	25,412

9 ANALYSIS OF NET ASSETS BY FUND

	Unrestricted Fund £	Restricted Fund £	Total Funds 2021 £
Tangible Fixed Assets	195,940	-	195,940
Current Assets	248,657	23,994	272,651
Current Liabilities	(443,179)	-	(443,179)
	1,418	23,994	25,412

	Unrestricted Fund £	Restricted Fund £	Total Funds 2020 £
Tangible fixed assets	268,166	-	268,166
Current Assets	187,491	4,566	192,057
Current Liabilities	(442,931)	-	(442,931)
	12,727	4,566	17,293

The restriction is defined to have been met if money has been spent on the activity it was intended for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

10 RECONCILIATION OF MOVEMENT IN FUNDS

	2021 Total £	2020 Total £
Opening funds	17,293	45,623
Net movements of resources in the year	8,118	(28,330)
Closing funds	25,411	17,293

11 DONATIONS AND LEGACIES

Category	2021 Unrestricted £	2021 Restricted £	2021 Total £
Trusts	91,775	66,820	158,595
Major Donors	-	15,750	15,750
Direct Mail	31	912	943
Corporate	8,746	10,743	19,489
Community	29,471	(6,461)	23,010
Event	16,383	-	16,383
Other	100,000	-	100,000
	246,406	87,764	334,170

Category	2020 Unrestricted £	2020 Restricted £	2020 Total £
Trusts	31,642	109,034	140,676
Major Donors	-	5,100	5,100
Direct Mail	685	91,110	91,796
Corporate	319	26,174	26,493
Community	18,402	12,460	30,862
Event	-	36,176	36,176
Other	5,012	-	5,012
	56,061	280,054	336,115

12 CHARITABLE ACTIVITES & GRANTS

All activities in the current and prior year were unrestricted.

	2021 £	2020 £
Sale of Equipment by the Charity	174,170	265,375
Business Grants	91,568	-
	265,737	265,375

Business grants in 2021 comprises income from the Coronavirus Job Retention Scheme

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

13 RAISING FUNDS

In the current and prior year there were both restricted and unrestricted costs of raising funds.

	2021 Direct Costs £	2021 Staff Costs £	2021 Total Funds £
Unrestricted	5,023	10,808	15,831
Restricted - Bugzi	-	9,192	9,192
	5,023	20,000	25,023

	2020 Direct Costs £	2020 Staff Costs £	2020 Total Funds £
Unrestricted	55,449	11,200	66,649
Restricted - Bugzi	(7,141)	23,800	16,659
	48,308	35,000	83,308

14 CHARITABLE ACTIVITIES

	2021 Direct Costs £	2021 Support Costs £	2021 Total Funds £
Bespoke Projects	121,395	55,717	177,112
TravelChair	-	-	-
Instant Solutions	257,367	130,007	387,374
Auditors' Remuneration inc VAT	-	2,280	2,280
	378,762	188,004	566,766

	2020 Direct Costs £	2020 Support Costs £	2020 Total Funds £
Bespoke Projects	102,730	148,051	250,781
TravelChair	12,727	18,506	31,233
Instant Solutions	243,712	18,506	262,218
Auditors' Remuneration inc VAT	-	2,280	2,280
	359,169	187,343	546,512

15 SUPPORT COSTS

	2021 Staff Costs £	2021 Other Costs £	2021 Total Funds £
Bespoke Projects	23,045	33,356	56,401
TravelChair	-	-	-
Instant Solutions	53,772	77,831	131,603
	76,817	111,187	188,004

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

	2020 Staff Costs £	2020 Other Costs £	2020 Total Funds £
Bespoke Projects	71,022	78,853	149,875
TravelChair	8,878	9,856	18,734
Instant Solutions	8,878	9,856	18,734
	88,778	98,566	187,344

The basis of the cost allocation shown above is as a proportion of the cost of each activity.

16 STAFF COSTS

	2021 £	2020 £
Salaries	89,732	242,834
Social Security Costs	18,307	22,208
Pension Costs	12,998	18,756
Other Costs	492	-
	121,529	283,798

The average number of persons employed by MERU during the year was:

	Full time 2021	Full time 2020	Part time 2021	Part time 2020
MERU	5	6	3	2

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

Included within staff costs above is £9,199 (2020: £20,241) of labour costs that have been capitalised within fixed assets.

The Trustees received no remuneration nor incurred any reimbursable expenses in either year.

Key management personnel includes Ten employees; Financial Officer, Seven Design Engineers and Project Leaders and the Engineering Team Leader. Remuneration for key management personnel was £86,413 for the year (2020: £284,304).

17 OPERATING INCOME

	2021 £	2020 £
Surplus before Auditors Remuneration and Depreciation of Fixed Assets	93,425	65,529
Auditor's Remuneration	2,280	2,280
Depreciation of Tangible Fixed Assets	83,026	91,579
	8,119	(28,330)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (cont'd)

18 RELATED PARTY TRANSACTIONS

Medical Engineering Resource Unit is a 100% owned subsidiary of Queen Elizabeth Foundation for Disabled People. Transactions with parent company are follows: QEF management fee charged £28,856 (2020: £0). There were no other group transactions in the year.

Included within creditors at year end for MERU are the following balances with the group of charities:

	2021	2020
Queen Elizabeth's Foundation for Disabled People	(349,512)	(347,202)
	(349,512)	(347,202)

19 ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of Queen Elizabeth's Foundation for Disabled People, a company incorporated in England and Wales (charity number: 251051) . The immediate and ultimate controlling party is Queen Elizabeth's Foundation for Disabled People, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. These accounts can be obtained from The Company Secretary, Leatherhead Court, Woodlands Road, Leatherhead, Surrey KT22 0BN.

Queen Elizabeth's Foundation for Disabled People (QEF) is a leading national charity with over 80 years' experience of developing innovative services which enable and support people with disabilities to increase independence and improve opportunities for life.