



from disabilities to possibilities

# Medical Engineering Resource Unit

## Financial Statements

**For the year ended  
31 March 2022**

CHARITY NO. 269804

COMPANY REGISTRATION NO. 1214125



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 CONNAUGHTON 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 31<sup>st</sup> 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 1<sup>st</sup> 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.

<b>Risk</b>	<b>How this is expected to be managed</b>
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.

A handwritten signature in black ink, appearing to read 'G Bowser', followed by a period.

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.

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

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

**MERU Medical Engineering Resource Unit**

**MEDICAL ENGINEERING RESOURCE UNIT**

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

		2022	2022	2022	2021
	Notes	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
<b>INCOME:</b>					
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
<b>Total Operating Income</b>		<b>430,863</b>	<b>215,461</b>	<b>646,324</b>	<b>599,907</b>
<b>EXPENDITURE:</b>					
Raising funds	13	13,792	17,038	30,830	25,023
Charitable activities	14	412,397	173,638	586,035	566,766
<b>Total Operating Expenditure</b>		<b>426,190</b>	<b>190,675</b>	<b>616,865</b>	<b>591,789</b>
<b>Net Operating (Expenditure)/Income</b>		<b>4,673</b>	<b>24,786</b>	<b>29,459</b>	<b>8,118</b>
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>		<b>1,418</b>	<b>23,994</b>	<b>25,412</b>	<b>17,293</b>
<b>Total funds carried forward</b>		<b>6,091</b>	<b>48,780</b>	<b>54,871</b>	<b>25,411</b>

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**

	<b>Leasehold Improvements</b>	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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**

	<b>2022 £</b>	<b>2021 £</b>
Raw materials and finished goods	95,446	63,443
	<u>95,446</u>	<u>63,443</u>

**5 DEBTORS AND PREPAYMENTS**

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

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

**6 CREDITORS**

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

	<b>2022 £</b>	<b>2021 £</b>
Amounts falling due within one year:		
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
	<u>314,447</u>	<u>386,037</u>

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

<b>7 PROVISIONS</b>	<b>2022 £</b>	<b>2021 £</b>
Dilapidation Reserve	57,142	57,142
	<u>57,142</u>	<u>57,142</u>

**8 STATEMENT OF FUNDS**

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

**9 ANALYSIS OF NET ASSETS BY FUND**

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

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

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**

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

**11 DONATIONS AND LEGACIES**

<b>Category</b>	<b>2022 Unrestricted £</b>	<b>2022 Restricted £</b>	<b>2022 Total £</b>
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
	<u>163,928</u>	<u>215,462</u>	<u>379,389</u>

<b>Category</b>	<b>2021 Unrestricted £</b>	<b>2021 Restricted £</b>	<b>2021 Total £</b>
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
	<u>246,406</u>	<u>87,764</u>	<u>334,170</u>

**12 CHARITABLE ACTIVITIES & GRANTS**

All activities in the current and prior year were unrestricted.

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

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:

	<b>2022 Direct Costs £</b>	<b>2022 Staff Costs £</b>	<b>2022 Total Funds £</b>
Unrestricted	831	12,962	13,793
Restricted - Bugzi	-	17,038	17,038
	<u>831</u>	<u>30,000</u>	<u>30,831</u>
	<b>2021 Direct Costs £</b>	<b>2021 Staff Costs £</b>	<b>2021 Total Funds £</b>
Unrestricted	5,023	10,808	15,831
Restricted - Bugzi	-	9,192	9,192
	<u>5,023</u>	<u>20,000</u>	<u>25,023</u>

**14 CHARITABLE ACTIVITIES**

	<b>2022 Direct Costs £</b>	<b>2022 Support Costs £</b>	<b>2022 Total Funds £</b>
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
	<u>305,294</u>	<u>280,740</u>	<u>586,034</u>
	<b>2021 Direct Costs £</b>	<b>2021 Support Costs £</b>	<b>2021 Total Funds £</b>
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
	<u>378,762</u>	<u>188,004</u>	<u>566,766</u>

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

**15 SUPPORT COSTS**

	<b>2022 Staff Costs £</b>	<b>2022 Other Costs £</b>	<b>2022 Total Funds £</b>
Bespoke Projects	-	-	-
TravelChair	2,641	3,298	5,939
Instant Solutions	122,190	152,611	274,801
	<u>124,831</u>	<u>155,909</u>	<u>280,740</u>
	<b>2021 Staff Costs £</b>	<b>2021 Other Costs £</b>	<b>2021 Total Funds £</b>
Bespoke Projects	23,045	33,356	56,401
TravelChair	-	-	-
Instant Solutions	53,772	77,831	131,603
	<u>76,817</u>	<u>111,187</u>	<u>188,004</u>

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**

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

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

	<b>Full time</b>	<b>Full time</b>	<b>Part time</b>	<b>Part time</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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
	<u>29,460</u>	<u>8,118</u>

**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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Queen Elizabeth's Foundation for Disabled People	(288,565)	(349,512)
	<u>(288,565)</u>	<u>(349,512)</u>

**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.

