



from disabilities to possibilities

Medical Engineering Resource Unit

Financial Statements

**For the year ended
31 March 2023**

CHARITY NO. 269804

COMPANY REGISTRATION NO. 1214125



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 CONNAUGHTON 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.

A handwritten signature in black ink, appearing to read 'G Bowser', written in a cursive style.

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.

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

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**

		2023	2023	2023	2022
	Notes	Unrestricted Funds	Restricted Funds	Total Funds	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
	<u>92,578</u>	<u>95,446</u>

5 DEBTORS AND PREPAYMENTS

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

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

6 CREDITORS

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

	2023 £	2022 £
Amounts falling due within one year:		
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
	<u>281,713</u>	<u>314,447</u>

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

7 PROVISIONS	2023 £	2022 £
Dilapidation Reserve	57,143	57,143
	<u>57,143</u>	<u>57,143</u>

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	<u>54,871</u>	<u>487,380</u>	<u>520,134</u>	<u>22,117</u>

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)
	<u>22,117</u>	<u>-</u>	<u>22,117</u>

	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)
	<u>6,091</u>	<u>48,780</u>	<u>54,871</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 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	<u>22,117</u>	<u>54,871</u>

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
	<u>115,917</u>	<u>174,453</u>	<u>290,370</u>

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
	<u>163,926</u>	<u>215,462</u>	<u>379,388</u>

12 CHARITABLE ACTIVITIES & 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	<u>7,766</u>	<u>10,382</u>
	<u>197,010</u>	<u>266,936</u>

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	-	-	-
	<u>15,254</u>	<u>-</u>	<u>15,254</u>
	2022 Direct Costs £	2022 Staff Costs £	2022 Total Funds £
Unrestricted	831	12,962	13,793
Restricted - Bugzi	-	17,038	17,038
	<u>831</u>	<u>30,000</u>	<u>30,830</u>

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
	<u>335,358</u>	<u>169,522</u>	<u>504,880</u>
	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
	<u>305,295</u>	<u>280,740</u>	<u>586,035</u>

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
	<u>187,439</u>	<u>(17,917)</u>	<u>169,522</u>
	2022 Staff Costs £	2022 Other Costs £	2022 Total Funds £
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>

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
	<u>187,439</u>	<u>202,375</u>

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
	<u>(32,754)</u>	<u>29,460</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 £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)
	<u>(248,724)</u>	<u>(289,575)</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.

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

