

**REGISTERED COMPANY NUMBER: 02671913 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1008128**

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012  
FOR  
DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

DTE Business Advisory Services Limited  
Chartered Accountants and Registered Auditors  
Park House  
26 North End Road  
London  
NW11 7PT

**DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

02671913 (England and Wales)

**Registered Charity number**

1008128

**Registered office**

The Old Chapel  
Mallard Road  
Abbots Langley  
Hertfordshire  
WD5 0GQ

**Trustees**

Those who served in office during the year were as follows:

R Willcox - Chair  
H Grimston  
E Bragg - Resigned 04.04.12  
A Soothill  
J Whiteley  
C Renton  
T Mercer  
R Mankin  
K White - Appointed 05.01.12

**Company Secretary**

F Evans

**Auditors**

DTE Business Advisory Services Limited  
Chartered Accountants and Registered Auditors  
Park House  
26 North End Road  
London  
NW11 7PT

**Bankers**

Barclays Bank Plc  
Acorn House  
36/38 Park Royal Road  
London  
NW10 7JA

**Solicitors**

Maxwell Winward LLP  
100 Ludgate Hill  
London  
EC4M 7RE

**DEMAND DESIGN AND MANUFACTURE  
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**Chairman's Forward**

It has been a challenging and rewarding year for DEMAND. I am delighted that we exceeded all our expectations for equipment projects which means more than 3,000 more people are able to live, work, learn and play better because they now have the equipment they need.

The fundraising climate continues to be turbulent so we have invested significant energy in developing our community fundraising and increasing our range of products and services, which helps us reach many more people and provides much needed income.

I am excited and confident about the future. We are seeing significant changes in care provision and benefits for people with disabilities which will mean an ever increasing need for our specialised service. Our ambitions to expand our reach remain strong. Whilst we continue to manage our expenses carefully we also recognise that we cannot fulfil the demand for our services without significantly increasing income, so 2013 must be a year of growth and development for us.

What we do has often to be seen to be fully appreciated, so I extend a warm welcome to all to visit our workshops to meet the design and craft team and to see examples of our work.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Day to day management of the charity**

The charity is run on a day-to-day basis by its Chief Executive. Andrew McBeath retired in August 2012 and was replaced by Gary Evans.

**Governing document**

The charity's governing documents are its memorandum and articles of association. It is constituted as a company limited by guarantee and not having any share capital. In 2010 a trading subsidiary (Demand SRM Ltd) was established but remains dormant.

**Recruitment and appointment of new trustees**

As there is no specified maximum period for an individual to remain a trustee replacements normally coincide with the wish of a current trustee to retire. The trustees will consider the skills and experience of the outgoing trustee, and the need for any new or additional skills and experience in defining a person specification for a new trustee. A search for a suitable candidate will use personal contacts and specialist search consultants. A short-list of candidates is invited to visit and see the work we do at first hand, and to ask any questions they may have. They are then interviewed by trustees and the charity's Chief Executive. The candidate who exceeds our minimum requirements and most closely matches the personal attributes we seek is proposed to the board and, if accepted, is offered the position. As a matter of preference the timing of appointment is during the last quarter of a calendar year so that an incoming trustee can be party to discussions establishing a business plan for the following calendar (also financial) year.

**Induction and training of new trustees**

New trustees are provided with background papers relating to the charity. In addition to the annual report and accounts they are provided with a copy of the Memorandum and Articles of Association. To amplify these core documents Charity Commission documents on "The Responsibilities of a Trustee" are provided, as are copies of the previous year's minutes of quarterly trustees meetings and monthly management reports for the previous six months. Once these have been assimilated a visit is arranged, hosted by the Chief Executive, so that any questions that may have arisen can be addressed. If the timing is as preferred the incoming trustee is involved in the generation of the next year's business plan so that they are immediately aware of, and can contribute to, consideration of the context within which the charity is operating, and its strategies and objectives. Where the opportunity arises, new trustees are invited to meet their fellow trustees in a non-formal environment ahead of their first official meeting. Early meetings are tailored to meet the needs of the new trustees in that background information is provided on any subjects raised.

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Organisational structure**

The trustees are led by a Chairman. The day-to-day running of the charity is the responsibility of the Chief Executive, who is assisted by a Finance Director, a Fundraising Director and an Operations Director (who is currently also responsible for running the Yorkshire workshop and who also holds prime responsibility for self-generated income. This team is known as "the Executive" and its members (other than the Chief Executive who is accountable to the Chair of Trustees) are accountable to the Chief Executive.

The trustees decide the overall direction for the charity, and the business and operating controls and measures of success. This is published in the form of a business plan approved at a special meeting in December each year. The Chief Executive is delegated responsibility for the implementation of that plan, with defined objectives and targets to report against as the year progresses. Reports to the trustees are made monthly, with trustees meeting quarterly.

In exceptional circumstances there is a Finance Sub-Committee consisting of 3 trustees with delegated authority to act on financial matters on behalf of the Board. This committee commits to be available to meet monthly to enable urgent action.

The charity is also a member of a "Forum" along with BIME (Bath Institute of Medical Engineering, MERU (Medical Engineering Resource Unit) and Remap - charities that have broadly similar objectives to those of DEMAND. The objective of the Forum is to help each other help more disabled people, and the organisations have signed a charter committing them to continuing this work.

**Risk management**

The major risks and opportunities facing the charitable company are discussed and reviewed as part of the business plan and budget process. The trustees confirm that all major risks have been reviewed and systems have been established to mitigate those risks.

**DEMAND DESIGN AND MANUFACTURE  
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**REPORT OF THE TRUSTEES  
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**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

**Objectives and activities undertaken by the charity to further its purposes for public benefit**

The trustees considers that the charity's aims and objectives meet the Charity Commission's guidance on public benefit.

**Objects**

The objects of the charity as set out in the governing document can be summarised as follows:  
"to provide relief to disabled, handicapped or infirm persons".

**Vision**

Our vision is to help as many disabled people as possible.

**Aim**

Our aim is to conduct and encourage the design and manufacture of equipment where no "off the shelf" solution is available, that achieves equality of life and provides opportunity for current and future generations of disabled individuals, irrespective of their ability to pay.

In addition we help develop the next generation of designers and craftspeople through student placements and apprenticeships.

**Public benefit**

The focus of our work is to provide and make accessible equipment that improves the day-to-day living, opportunity or recovery of people living with disability, impairment or infirmity.

In 2012 we provided the following services;

-The design, manufacture and modification of equipment to solve everyday living, work, mobility and recovery challenges for people with disabilities, infirmities and impairments.

-The design, manufacture and modification of equipment that provide enhanced opportunity for people with disabilities, infirmities and impairments to participate in leisure, sporting, fitness, travel, cultural and artistic activities.

-The refurbishment of specialist disability equipment for safe re-issue.

-To ensure we never waste charitable funds developing bespoke equipment when good solutions are already readily accessible, our designers also provide advice to users, carers, teachers and health professionals on sources of commercially available equipment.

**Objectives, strategies and activities**

Our objectives for the year were:

**Operational objectives for the year under review**

-Undertake 376 equipment projects to the benefit of 2,510 beneficiaries.

-Secure visits from 49 potential donors, representatives of equipment stores and/or their contracted operations partners, equipment donors, or Boccia clubs or associations.

-Aim to provide a level of satisfaction and interest that encourages staff retention, whilst matching terms and conditions in the voluntary sector.

-Invest time and effort into activities to help us prosper in the future.

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**DEMAND DESIGN AND MANUFACTURE  
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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

**Operational strategies and activities**

- Maintain a broad portfolio of projects to attract a wide client and donor base.
- Seize opportunities to tackle high value projects and balance this against the need to use resources and capacity effectively.
- Incorporate appearance, style and inclusivity as critical design parameters alongside functionality.
- Cooperate and collaborate with like-minded organisations.
- Continue to expand our workshop capabilities and capacity.

**Fundraising objectives**

- Build community fundraising capability at both our Abbots Langley and Yorkshire sites.
- Diversify our sources of self-generated income so that we both reduce risk and increase our income in the long term.
- Attract and generate sufficient funds to achieve our business plan and leave a small surplus.

**Fundraising strategies and activities**

- Liaise where practical with our funders on a one-to-one basis to maximise the probability of attracting and retaining their support.
- Widen our donor base.
- Widen our user base for existing products and increase our product and service portfolio.
- Keep the costs attributable to administration as low as possible.

**ACHIEVEMENT AND PERFORMANCE**

**Summary of overall performance**

2012 was another very successful year for the charity. The charity's determination to build income resilience by broadening its portfolio of products and services, and therefore its sources of income, continued as a core strategy; a prudent one in light of the UK's on-going economic challenges and the strains this places on traditional fundraising. The charity exceeded its equipment and beneficiary targets and operated successfully with a small deficit of £13.5K on a total income of £833K.

**DEMAND DESIGN AND MANUFACTURE  
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**REPORT OF THE TRUSTEES  
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**ACHIEVEMENT AND PERFORMANCE**

**Factors relevant to the achievement of the objectives**

Our increased focus on self-generated income has helped make up the shortfall in income from Trusts and Foundations, whilst our decision to invest in community fundraising means that during 2012 we improved our visibility to our local communities (affinity groups as well as businesses) and created a base of marketing and fundraising collateral hitherto not available.

Our paediatric equipment refurbishment service has been a strong feature of our self-generated income activity in 2012 as has the continued development of our range of Boccia ramps. Our research into the needs of players and assistants combined with our engineering skill has allowed us to improve the range of ramps and accessories so enabling access to this great, age ambivalent sport, to many more players at all levels of expertise.

Negative factors affecting financial performance were the continuing challenging financial and business environment and price increases across all essential utilities and motor fuel. On a positive note we maintained good relations with several major trusts who continue to see the value in the service we provide.

**Results**

-The impact of DEMAND's work on its clients, their carers and attendant care and health professionals, continues to be demonstrated by the many case studies which illustrate the life transforming nature of our work. We are privileged to be able to deliver practical, timely and often ingenious solutions that address real life challenges and improve access to sporting, leisure and cultural activities. The case studies appear on our website and in our publications which are regularly updated.

-428 equipment projects completed (versus a target of 376).

-Bespoke equipment projects ranged from simple modifications to mobility aids through to eating aids, adjustable furniture, sports and play equipment and even articulating gravity balance arms - each one represents a mini Research and Development, prototyping and manufacturing exercise.

Our expertise in paediatric disability equipment also meant that over 300 pieces of equipment were refurbished and made available for safe re-issue to children all over the country.

Every piece of equipment addresses a very real need, either for an individual or for a group (in a school classroom, or in a therapy class, for example), and we are privileged to be able to directly and positively impact so many lives by solving problems that mainstream providers in particular are not able to address.

-74 potential donors or customers visited compared with a target of 49.

-£832,896 income was achieved (target £874,643) compared with £752,351 in 2011. Expenditure was £846,392 versus a target of £853,638.

-3,168 people benefited from our work.

**FINANCIAL REVIEW**

**Reserves policy**

In early 2012 our reserves have remained in accordance with the reserves policy;

The reserves policy is to maintain forward cover within a 3 month lower limit and 9 month upper limit. This policy was re-affirmed at the December 2012 Business Plan and Budget Approval Meeting.

**DEMAND DESIGN AND MANUFACTURE  
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**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**FINANCIAL REVIEW**

**Financial highlights**

During 2012, total income was £832,896, an increase of 10.7% compared to the previous year of £752,351. Total resource expended for the year was under budget but never the less increased by £96,574 (an increase of 12.9%).

Our principal source of funds continues to be grant making trusts and in 2012 we raised virtually the same amount of income from them as in 2011. Given the state of investment portfolios at this time this is a creditable result. Importantly, and in line with our income diversification strategy, our dependence on this source has reduced by nearly 10% in the year in line with our investment in community fundraising and self-generated income.

We will continue to work towards a more diverse and balanced income profile.

Our principal use of funds continues to be the design, manufacture, enhancement and refurbishment of disability equipment.

**INVESTMENT POWER AND POLICIES**

Under the Memorandum and Articles the charity has the power to invest in any way the trustees wish.

**PLANS FOR THE FUTURE**

Our key strategies for 2013 are;

- To broaden the scope of our marketing activities on all fronts to increase public awareness of our work.
- To develop new ways (both real and virtual) of helping people with disabilities.
- To continue to seek funding to enable us to extend our reach.
- To further diversify our fundraising activities.
- To improve our capacity to self-generate income.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Demand Design and Manufacture for Disability for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles SORP.
- Make judgements and estimates that are reasonable and prudent.
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**DEMAND DESIGN AND MANUFACTURE  
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**REPORT OF THE TRUSTEES  
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**Statement as to Disclosure of Information to Auditors**

-In so far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and

-Each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The existing auditors have, as a result of an internal reorganisation, split their practice into two companies. A new company, under the original name DTE Business Advisory Services Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD:**

.....  
R Willcox Chairman - Trustee

Date: .....

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

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We have audited the financial statements of Demand Design and Manufacture for Disability for the year ended 31 December 2012 on pages eleven to twenty. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the 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 auditors' 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.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

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**Matters on which we are required to report by exception**

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 Report of the Trustees.

Pankaj Patel (Senior Statutory Auditor)  
for and on behalf of DTE Business Advisory Services Limited  
Chartered Accountants and Registered Auditors  
Park House  
26 North End Road  
London  
NW11 7PT

Date: .....

**DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	421,870	200,497	622,367	586,764
Investment income	3	5,486	-	5,486	5,187
<b>Charitable trading income</b>					
Sale of goods	4	<u>205,043</u>	<u>-</u>	<u>205,043</u>	<u>160,400</u>
<b>Total incoming resources</b>		632,399	200,497	832,896	752,351
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds</b>					
Cost of sales	5	10,834	112,132	122,966	139,273
<b>Fundraising and publicity</b>					
Fundraising and publicity	6	109,128	11,417	120,545	81,881
<b>Governance costs</b>					
	7	70,296	12,753	83,049	69,277
<b>Other direct charitable expenses</b>		<u>447,398</u>	<u>72,434</u>	<u>519,832</u>	<u>459,388</u>
<b>Total resources expended</b>		637,656	208,736	846,392	749,819
<b>NET INCOMING/(OUTGOING) RESOURCES</b>					
		(5,257)	(8,239)	(13,496)	2,532
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>162,083</u>	<u>400,326</u>	<u>562,409</u>	<u>559,877</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>156,826</u></u>	<u><u>392,087</u></u>	<u><u>548,913</u></u>	<u><u>562,409</u></u>

The notes form part of these financial statements

**DEMAND DESIGN AND MANUFACTURE  
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**BALANCE SHEET  
AT 31 DECEMBER 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	11	7,244	379,815	387,059	404,388
Investments	12	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		7,245	379,815	387,060	404,389
<b>CURRENT ASSETS</b>					
Stocks		19,757	-	19,757	24,422
Debtors	13	28,367	5,039	33,406	34,087
Cash at bank and in hand		<u>151,902</u>	<u>602,037</u>	<u>753,939</u>	<u>358,118</u>
		200,026	607,076	807,102	416,627
<b>CREDITORS</b>					
Amounts falling due within one year	14	(50,445)	(594,804)	(645,249)	(258,607)
		<u>149,581</u>	<u>12,272</u>	<u>161,853</u>	<u>158,020</u>
<b>NET CURRENT ASSETS</b>					
		<u>156,826</u>	<u>392,087</u>	<u>548,913</u>	<u>562,409</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>156,826</u>	<u>392,087</u>	<u>548,913</u>	<u>562,409</u>
<b>NET ASSETS</b>					
		<u>156,826</u>	<u>392,087</u>	<u>548,913</u>	<u>562,409</u>
<b>FUNDS</b>					
	16			156,826	162,083
Unrestricted funds				<u>392,087</u>	<u>400,326</u>
Restricted funds					
<b>TOTAL FUNDS</b>					
				<u>548,913</u>	<u>562,409</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

.....  
R Willcox Chairman-Trustee

The notes form part of these financial statements

**DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

**Incoming resources**

Voluntary income represents donations received. Such income is only deferred when the donor specifies that the donation must only be used in future accounting periods.

Income from commercial trading activities is recognised as earned (as the related goods are provided).

Investment income is recognised on a receivable basis.

**Resources expended**

Charitable activities include expenditure associated with the main objectives of the charity and include both the direct and support costs relating to these activities.

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

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost, less estimated residual value, of all fixed assets over their expected useful lives at the following rates:

Freehold land and buildings	2% on cost
Tools and equipments	10% on cost
Motor vehicles	25% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Some stocks are held at the year end which represents left-overs from work done for donation. This stock has not been brought into the accounts.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**DEMAND DESIGN AND MANUFACTURE  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**2. VOLUNTARY INCOME**

	<b>2012</b>	2011
	<b>£</b>	£
Donations	621,681	585,585
Income tax recoverable	<u>686</u>	<u>1,179</u>
	<u><b>622,367</b></u>	<u><b>586,764</b></u>

**3. INVESTMENT INCOME**

	<b>2012</b>	2011
	<b>£</b>	£
Bank deposit interest	<u>5,486</u>	<u>5,187</u>

**4. CHARITABLE TRADING INCOME**

	<b>Activity</b>	<b>2012</b>	2011
		<b>£</b>	£
Turnover	Sale of goods	<u>205,043</u>	<u>160,400</u>

**5. COST OF SALES**

	<b>2012</b>	2011
	<b>£</b>	£
Opening stock	24,422	39,144
Purchases	44,397	19,771
Closing stock	(19,757)	(24,422)
Staff costs	70,719	104,415
Subcontract labour	85	365
Staff recruitment and training	<u>3,100</u>	<u>-</u>
	<u><b>122,966</b></u>	<u><b>139,273</b></u>

**6. CHARITABLE ACTIVITIES COSTS**

	<b>2012</b>	2011
	<b>£</b>	£
Fundraising and publicity	<u><b>120,545</b></u>	<u><b>81,881</b></u>

**DEMAND DESIGN AND MANUFACTURE  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**7. GOVERNANCE COSTS**

	<b>2012</b>	2011
	£	£
Staff costs	75,847	58,398
Insurance	1,060	2,311
Recruitment	-	425
Legal and professional fees	28	1,400
Postage and stationery	75	389
Auditors' remuneration	5,000	4,750
Staff refreshments	54	-
Office equipment repairs and maintenance	-	1,395
Sundry expenses	-	209
Travelling expenses	158	-
Trustees expenses	827	-
	<u>83,049</u>	<u>69,277</u>

**ANALYSIS OF GOVERNANCE COST**

	<b>2012</b>	2011
	£	£
<b>Unrestricted Funds</b>		
Staff Costs	<b>65,527</b>	33,056
Audit fees	<b>5,000</b>	4,750
Others	<b>1,895</b>	4,952
	<u>72,422</u>	<u>42,758</u>
<b>Restricted funds</b>		
Staff Cost	<b>10,320</b>	25,342
Others	<b>307</b>	1,177
	<u>10,627</u>	<u>26,519</u>
<b>Total</b>	<u><b>83,049</b></u>	<u>69,277</u>

**8. NET INCOMING/(OUTGOING) RESOURCES**

Net resources are stated after charging/(crediting):

	<b>2012</b>	2011
	£	£
Auditors' remuneration	5,000	4,750
Depreciation - owned assets	17,329	15,160
	<u>22,329</u>	<u>29,910</u>

**DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 December 2012 nor for the year ended 31 December 2011.

The cost to the charity of indemnity insurance relating to the trustees for the year amounted to £954 (2011: £945).

**Trustees' expenses**

Trustees' expenses paid for the year ended 31 December 2012 were £827 and £143 for the year ended 31 December 2011.

**10. STAFF COSTS**

	<b>2012</b>	2011
	<b>£</b>	£
Wages and salaries	553,979	481,152
Social security costs	55,177	61,883
Other pension costs	<u>19,141</u>	<u>15,949</u>
	<u><u>628,297</u></u>	<u><u>558,984</u></u>

The average monthly number of employees during the year was as follows:

	<b>2012</b>	2011
Workshop department	9	8
Design department	4	4
Fundraising	4	3
Management and administration	3	3
Marketing	<u>1</u>	<u>1</u>
	<u><u>21</u></u>	<u><u>19</u></u>

One employee had emoluments between £70,000 - £80,000 (2011: 1 between £70,000 - £80,000).

**DEMAND DESIGN AND MANUFACTURE  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**11. TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £</b>	<b>Tools and equipment £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 January 2012 and 31 December 2012	<u>499,633</u>	<u>172,516</u>	<u>33,314</u>	<u>705,463</u>
<b>DEPRECIATION</b>				
At 1 January 2012	119,916	158,268	22,891	301,075
Charge for year	<u>9,993</u>	<u>3,832</u>	<u>3,504</u>	<u>17,329</u>
At 31 December 2012	<u>129,909</u>	<u>162,100</u>	<u>26,395</u>	<u>318,404</u>
<b>NET BOOK VALUE</b>				
At 31 December 2012	<u>369,724</u>	<u>10,416</u>	<u>6,919</u>	<u>387,059</u>
At 31 December 2011	<u>379,717</u>	<u>14,248</u>	<u>10,423</u>	<u>404,388</u>

The closing net book value represents fixed assets used for:

	<b>Freehold land and buildings £</b>	<b>Tools and equipment £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
Direct charitable purposes	332,752	10,416	6,919	350,087
Management and administrative purposes	<u>36,972</u>	-	-	<u>36,972</u>
	<u>369,724</u>	<u>10,416</u>	<u>6,919</u>	<u>387,059</u>

**12. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £</b>
<b>MARKET VALUE</b>	
At 1 January 2012 and 31 December 2012	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 December 2012	<u>1</u>
At 31 December 2011	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

**DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**12. FIXED ASSET INVESTMENTS - continued**

Demand SRM Limited  
:  
Nature of business: Dormant

Class of share:	%	
Ordinary	<b>holding</b>	
	100	

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012	2011
	£	£
Trade debtors	20,158	21,939
Other debtors	143	-
Tax	1,876	1,190
Prepayments	<u>11,229</u>	<u>10,958</u>
	<u>33,406</u>	<u>34,087</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012	2011
	£	£
Trade creditors	6,656	6,722
Social security and other taxes	16,863	23,510
VAT	6,789	6,602
Other creditors	913	1,931
Pension Fund	1,196	1,286
Accruals and deferred income	<u>612,832</u>	<u>218,556</u>
	<u>645,249</u>	<u>258,607</u>

Deferred income of £598,317 (2011: £198,317) included in other creditors, represents donations received in advance.

**15. PENSION COMMITMENTS**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund.

	2012	2011
	£	£
Contributions payable by the company for the year	<u>19,141</u>	<u>17,589</u>

**DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**16. MOVEMENT IN FUNDS**

	<b>At 1.1.12</b>	<b>Net movement in funds</b>	<b>At 31.12.12</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General Fund	162,083	(5,257)	156,826
<b>Restricted funds</b>			
Yorkshire Fund	(3,331)	3,331	-
Building Fund	379,717	(9,993)	369,724
Plant & machinery Fund	7,500	(1,500)	6,000
Abbots Langley Fund - Premises Maintenance	9,247	(28)	9,219
Yorkshire Building Fund	2,193	-	2,193
Workshop	<u>5,000</u>	<u>(49)</u>	<u>4,951</u>
	400,326	(8,239)	392,087
	<u>562,409</u>	<u>(13,496)</u>	<u>548,913</u>

Net movement in funds, included in the above are as follows:

	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Movement in funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>			
General Fund	632,399	(637,656)	(5,257)
<b>Restricted funds</b>			
Yorkshire Fund	200,497	(197,166)	3,331
Workshop	-	(49)	(49)
Building Fund	-	(9,993)	(9,993)
Plant & machinery Fund	-	(1,500)	(1,500)
Abbots Langley Fund - Premises Maintenance	<u>-</u>	<u>(28)</u>	<u>(28)</u>
	200,497	(208,736)	(8,239)
	<u>832,896</u>	<u>(846,392)</u>	<u>(13,496)</u>

**DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**16. MOVEMENT IN FUNDS - continued**

The Building Fund was established to provide for the purchase of the freehold building to house the charity due to the closure of Napsbury Hospital, from which it formerly rented premises. It is also used to hold funds for the premises in Yorkshire.

The Paddy Renton Fund was established to provide for the design and manufacture of specific projects, a purpose which continues to be a core activity of the charity. The balance on the fund represents a current asset but is not held separately.

The Plant & machinery Fund was established for the purchase of a vacuum moulding machine to enable the charity to mould large pieces of equipment for those with disabilities.

The Yorkshire Fund was established in 2006 to enable Demand to open a satellite operation in the North of England where no similar service existed.

The Abbots Langley Fund was established in part for running the charity's apprenticeship scheme, and in part for Abbots Langley premises maintenance.

**17. LIMITED LIABILITY STATUS**

The charitable company is limited by guarantee and has no share capital. Every member guarantees that, if the charity is dissolved while he or she remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the charity while the contributor was a member.

**DEMAND DESIGN AND MANUFACTURE  
FOR DISABILITY**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>INCOMING RESOURCES</b>		
<b>Voluntary income</b>		
Donations	621,681	585,585
Income tax recoverable	<u>686</u>	<u>1,179</u>
	622,367	586,764
<b>Investment income</b>		
Bank deposit interest	5,486	5,187
<b>Charitable trading income</b>		
Turnover	<u>205,043</u>	<u>160,400</u>
<b>Total incoming resources</b>	<b>832,896</b>	<b>752,351</b>
<b>RESOURCES EXPENDED</b>		
<b>Cost of sales</b>		
Opening stock	24,422	39,144
Purchases	44,070	19,771
Marketing	327	-
Wages	63,925	83,169
Social security	5,629	21,222
Pensions	1,165	24
Subcontract labour	85	365
Staff recruitment and training	3,100	-
Closing stock	<u>(19,757)</u>	<u>(24,422)</u>
	122,966	139,273
<b>Fundraising and publicity</b>		
Wages	94,546	59,527
Social security	8,959	5,583
Pensions	3,298	2,933
Postage and stationery	332	5,299
Appeals and publications	5,972	4,266
Hospitality	141	198
Recruitment	2,599	3,600
Legal fees	-	475
Marketing	3,878	-
Travelling expenses	<u>820</u>	<u>-</u>
	120,545	81,881

This page does not form part of the statutory financial statements

