

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

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
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 2013**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

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 2013. 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
R Mankin
T Mercer
C Renton
W Sietz - Appointed 24.07.13
A Soothill
K White
J Whiteley

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
35 Notting Hill Gate
London
W11 3JR

Solicitors

Maxwell Winward LLP
100 Ludgate Hill
London
EC4M 7RE

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REFERENCE AND ADMINISTRATIVE DETAILS

Chairman's Forward

I am delighted to report that we have again exceeded all our expectations for equipment projects which means more than 3,700 more people are able to live, work, learn and play better because they now have the equipment they need.

Our focus in the year has been to increase the public's awareness of our work, to become more accessible and to develop our capabilities in both fundraising and in generating our own revenues from products and services.

More people have benefited from our work and we have 'reached' more people in the community than ever before. It was wonderful to be able to look back at the impact we have had over the past 33 years and to be able to thank our supporters, old and new, at an evening reception at No. 10 Downing Street hosted by Samantha Cameron, just before Christmas.

The increase in beneficiaries is a cause for celebration on the one hand, and yet at the same time it indicates that too many people with disabilities still come up against barriers to opportunity and experience unnecessary hurdles in their daily lives. DEMAND exists to alleviate those problems.

The solutions DEMAND provides undoubtedly help people overcome many of their frustrations. However, despite significant and positive advances in attitudes toward disability, as well as stunning technological advances, our society, its systems and infrastructure, still has some big challenges to deal with on its journey to becoming truly enabling.

I am excited and confident about the future. We will continue to focus on enabling ever more people with disabilities to do more and to achieve more at home, in education, at work and at play. To do this we will continue to invest in broadening our capability, extending our reach and in developing our network of supporters, commercial and third sector partnerships, systems, processes and finances.

What we do, and the ingenuity of our designers and skill of our craft teams, have to be seen to be fully appreciated, so I extend a warm invitation to all to visit our workshops in Hertfordshire and Yorkshire to see, at first hand, magic at work.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Day to day management of the charity

Chief Executive Officer	Gary Evans
Finance and Administration Director	Frances Evans
Operations Director	Martin Brown

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 financial year.

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STRUCTURE, GOVERNANCE AND MANAGEMENT

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 the environment in which the charity operates, its objectives and strategies. 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.

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 and an Operations Director (who is currently also responsible for running the Yorkshire operation which encompasses most of the charity's self-generated income activity). 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, 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 manage those risks.

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2013**

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

The trustees consider 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 of a world where physical or mental impairment is no barrier to dignified living or to opportunity.

Aim

Our aim is to provide practical products and solutions that remove disabling hurdles to everyday activities, or to employment, travel, cultural, educational, sporting or leisure opportunities. We also seek to positively influence the design thinking of tomorrow by training and educating young designers and to instil in them a design philosophy which has inclusivity at its heart.

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, regardless of age or personal circumstance.

In 2013 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.

-The recycling, redistribution and resale of used disability equipment.

-A helpline, available to all at no cost to users, which provides advice to users, carers, teachers and health professionals on sources of specialist equipment.

Objectives, strategies and activities

Our objectives for the year were:

Operational objectives for the year under review

-Undertake a minimum of 350 equipment projects to the benefit of 3,510 beneficiaries.

-To increase income and manage costs to achieve a net income of £125,000.

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

-Develop the charity's online presence.

-Increase the level of support from the business community.

-Invest time and effort in developing chargeable services and marketable products to further diversify our income streams.

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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 parameters alongside functionality.
- Cooperate and collaborate with like-minded organisations.
- Continue to extend our technical 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 generate a surplus commensurate with our reserves policy.

Fundraising strategies and activities

- Refine and develop bespoke appeals.
- Develop closer relationships with our supporters to maximise donations and build income from legacies.
- Broaden our individual and business donor base.
- Widen our user base for existing products and increase our product and service portfolio.
- Keep the costs attributable to fundraising as low as possible.
- Develop volunteer support within the charity.

ACHIEVEMENT AND PERFORMANCE

Summary of overall performance

Income resilience remains a key aim of the trustees. Broadening the portfolio of products and services, and strengthening fundraising capabilities, continue as core strategies. The charity exceeded its equipment projects and beneficiaries targets, reduced its costs in real terms and operated successfully, ending the year with a net income of £158,426 on a total revenue of £1,010,571.

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ACHIEVEMENT AND PERFORMANCE

Factors relevant to the achievement of the objectives

Positive factors

-Increased investment in Trusts and Foundations fundraising.

-Increased investment and focus on Communities and Business fundraising to build awareness and attract a broader and more committed supporters base.

-Introduction of new products.

Negative factors

The rapid move made by several key community equipment services from a local authority / NHS Trust managed model to an outsourced model. This meant a significant and rapid decline in equipment available for refurbishment as well as in donated equipment, which often comes from the same sources. The charity is working to develop operational relationships with the commercial outsourcers.

Results

-3,744 people benefited directly and indirectly from our core activities.

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.

-395 equipment projects completed (versus a target of 370).

-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 270 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).

-366 potential donors or customers visited our workshops or attended a DEMAND event.

-£1,010,571 revenue was achieved (target £1,035,223) compared with £832,896 in 2012. Expenditure was £852,145 versus a budget of £910,308.

-A surplus of £158,426 (versus a target of £125,000) was achieved.

FINANCIAL REVIEW

Reserves policy

In 2013 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 2013 Business Plan and Budget Approval Meeting.

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FINANCIAL REVIEW

Financial highlights

Total income was £1,010,571 an increase of 21.3% compared to the previous year of £832,896. Total resource expended for the year was under budget by 6.4% but never the less increased by £5,753 (an increase of 0.7%). Net income was £158,426 (compared with a deficit of £13,496 in 2012).

Our principal source of funds continues to be grant making trusts and a key strategy for the year was to develop the Trusts and Foundations (T & F) Manager role into a full time one. We realised a significant 42% increase in T & F income compared to the previous year.

The Communities and Business team continued to receive significant management focus and the team achieved a 40% growth in revenue, albeit off a small base. The team's impact in generating local awareness and gaining the support of local businesses has significantly increased.

Significant and accelerated changes to community equipment provision meant that our key Refurbishment and Donated Goods businesses were negatively impacted by the disruption caused by the widespread handing over of community equipment services to private companies. The sales of Boccia equipment were also flat year on year which meant self-generated income overall suffered a 0.48% decline.

Our revenue profile is

T&F	Extraordinary Funding	SGI Rev	Communities & Business	Other income
51.6%	19.8%	20.2%	7.6%	0.8%

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

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 2014 are;

- To broaden the scope of our marketing activities on all fronts to increase public awareness of our work and to attract a broader supporter base.
- To develop our online presence.
- To develop our volunteer programme.
- To develop new ways (both real and virtual) of helping people with disabilities.
- To extend our reach through co-operation and collaboration with health professionals.
- To develop our Communities and Business fundraising activities.
- To develop and source products which are relevant to our core purpose and which provide a positive financial contribution to the charity.
- To develop our technical capabilities.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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:

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- 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.

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.

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: 07/06/2014

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

We have audited the financial statements of Demand Design and Manufacture for Disability for the year ended 31 December 2013 on pages eleven to twenty one. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 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
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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 from the requirement to prepare a Strategic Report or 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: 11 June 2014

**DEMAND DESIGN AND MANUFACTURE
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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	504,293	294,277	798,570	622,367
Investment income	3	5,227	440	5,667	5,486
Charitable trading income	4				
Sale of goods		204,059	-	204,059	205,043
Other incoming resources		2,275	-	2,275	-
Total incoming resources		715,854	294,717	1,010,571	832,896
RESOURCES EXPENDED					
Costs of generating funds					
Cost of sales	5	26,213	69,287	95,500	122,966
Fundraising and publicity	6				
Fundraising and publicity		106,800	3,317	110,117	120,545
Governance costs	7	35,335	13,854	49,189	83,049
Other direct charitable expenses		409,801	187,538	597,339	519,832
Total resources expended		578,149	273,996	852,145	846,392
NET INCOMING/(OUTGOING) RESOURCES					
		137,705	20,721	158,426	(13,496)
RECONCILIATION OF FUNDS					
Total funds brought forward		156,826	392,087	548,913	562,409
TOTAL FUNDS CARRIED FORWARD		294,531	412,808	707,339	548,913

The notes form part of these financial statements

**DEMAND DESIGN AND MANUFACTURE
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**BALANCE SHEET
AT 31 DECEMBER 2013**

	Notes	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
FIXED ASSETS					
Tangible assets	11	-	381,929	381,929	387,059
Investments	12	1	-	1	1
		<u>1</u>	<u>381,929</u>	<u>381,930</u>	<u>387,060</u>
CURRENT ASSETS					
Stocks		4,969	7,266	12,235	19,757
Debtors	13	34,044	15,207	49,251	33,406
Cash at bank and in hand		307,988	424,816	732,804	753,939
		<u>347,001</u>	<u>447,289</u>	<u>794,290</u>	<u>807,102</u>
CREDITORS					
Amounts falling due within one year	14	(52,471)	(416,410)	(468,881)	(645,249)
		<u>294,530</u>	<u>30,879</u>	<u>325,409</u>	<u>161,853</u>
NET CURRENT ASSETS					
		<u>294,531</u>	<u>412,808</u>	<u>707,339</u>	<u>548,913</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>294,531</u>	<u>412,808</u>	<u>707,339</u>	<u>548,913</u>
NET ASSETS		<u>294,531</u>	<u>412,808</u>	<u>707,339</u>	<u>548,913</u>
FUNDS	15				
Unrestricted funds				294,531	156,826
Restricted funds				412,808	392,087
TOTAL FUNDS				<u>707,339</u>	<u>548,913</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 05/06/2014 and were signed on its behalf by:


R Willcox Chairman-Trustee

The notes form part of these financial statements

**DEMAND DESIGN AND MANUFACTURE
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. VOLUNTARY INCOME

	2013	2012
	£	£
Donations	798,809	621,681
Income tax recoverable	(239)	686
	<u>798,570</u>	<u>622,367</u>

3. INVESTMENT INCOME

	2013	2012
	£	£
Sale of assets	440	-
Bank deposit interest	5,227	5,486
	<u>5,667</u>	<u>5,486</u>

4. CHARITABLE TRADING INCOME

		2013	2012
	Activity	£	£
Turnover	Sale of goods	204,059	205,043

5. COST OF SALES

	2013	2012
	£	£
Opening stock	19,757	24,422
Purchases	41,268	44,397
Closing stock	(12,235)	(19,757)
Staff costs	45,632	70,719
Subcontract labour	1,078	85
Staff recruitment and training	-	3,100
	<u>95,500</u>	<u>122,966</u>

6. CHARITABLE ACTIVITIES COSTS

	2013	2012
	£	£
Fundraising and publicity	<u>110,117</u>	<u>120,545</u>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

7. GOVERNANCE COSTS

	2013	2012
	£	£
Staff costs	41,900	75,847
Insurance	1,250	1,060
Legal and professional fees	616	28
Postage and stationery	-	75
Auditors' remuneration	5,000	5,000
Staff refreshments	91	54
Travelling expenses	-	158
Trustees expenses	332	827
	<u>49,189</u>	<u>83,049</u>

ANALYSIS OF GOVERNANCE COST

	2013	2012
	£	£
Unrestricted Funds		
Staff Costs	28,402	65,527
Audit fees	5,000	5,000
Others	1,933	1,895
	<u>35,335</u>	<u>72,422</u>
Restricted funds		
Staff Cost	13,498	10,320
Others	356	307
	<u>13,854</u>	<u>10,627</u>
Total	<u>49,189</u>	<u>83,049</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2013	2012
	£	£
Auditors' remuneration	5,000	5,000
Depreciation - owned assets	16,120	17,329

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2013 nor for the year ended 31 December 2012 .

The cost to the charity of indemnity insurance relating to the trustees for the year amounted to £954 (2012: £954).

Trustees' expenses

Trustees' expenses paid for the year ended 31 December 2013 were £332 (2012: £827).

10. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	539,689	553,979
Social security costs	55,055	55,177
Other pension costs	18,949	19,141
	<u>613,693</u>	<u>628,297</u>

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

	2013	2012
Workshop department	8	9
Design department	5	4
Fundraising	3	4
Management and administration	3	3
Marketing	1	1
	<u>20</u>	<u>21</u>

The number of employees whose emoluments fell within the following bands was:

	2013	2012
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
	<u>1</u>	<u>1</u>

**DEMAND DESIGN AND MANUFACTURE
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Tools and equipment £	Motor vehicles £	Totals £
COST				
At 1 January 2013	499,633	172,516	33,314	705,463
Additions	-	-	16,127	16,127
Disposals	-	-	(9,490)	(9,490)
	<u>499,633</u>	<u>172,516</u>	<u>39,951</u>	<u>712,100</u>
At 31 December 2013	499,633	172,516	39,951	712,100
DEPRECIATION				
At 1 January 2013	129,909	162,100	26,395	318,404
Charge for year	9,993	3,068	3,059	16,120
Eliminated on disposal	-	-	(4,353)	(4,353)
	<u>139,902</u>	<u>165,168</u>	<u>25,101</u>	<u>330,171</u>
At 31 December 2013	139,902	165,168	25,101	330,171
NET BOOK VALUE				
At 31 December 2013	<u>359,731</u>	<u>7,348</u>	<u>14,850</u>	<u>381,929</u>
At 31 December 2012	<u>369,724</u>	<u>10,416</u>	<u>6,919</u>	<u>387,059</u>

The closing net book value represents fixed assets used for:

	Freehold land and buildings £	Tools and equipment £	Motor vehicles £	Totals £
Direct charitable purposes	323,759	7,348	14,850	345,957
Management and administrative purposes	35,972	-	-	35,972
	<u>359,731</u>	<u>7,348</u>	<u>14,850</u>	<u>381,929</u>

**DEMAND DESIGN AND MANUFACTURE
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 January 2013 and 31 December 2013	1
	<u>1</u>
NET BOOK VALUE	
At 31 December 2013	1
	<u>1</u>
At 31 December 2012	1
	<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 SRM Limited

:

Nature of business: Dormant

	%
Class of share:	holding
Ordinary	100

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade debtors	20,627	20,158
Other debtors	2,384	143
Tax	1,637	1,876
Prepayments	24,603	11,229
	<u>49,251</u>	<u>33,406</u>

**DEMAND DESIGN AND MANUFACTURE
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade creditors	5,730	6,656
Social security and other taxes	16,414	16,863
VAT	3,051	6,789
Net wages	(359)	-
Other creditors	14,559	913
Pension Fund	4,196	1,196
Accruals and deferred income	425,290	612,832
	<u>468,881</u>	<u>645,249</u>

Deferred income of £398,317 (2012: £598,317) included in accruals and deferred income represents donations received in advance.

15. MOVEMENT IN FUNDS

	At 1/1/13	Net movement in funds	At 31/12/13
	£	£	£
Unrestricted funds			
General Fund	156,826	137,705	294,531
Restricted funds			
Building Fund	369,724	(9,993)	359,731
Plant & machinery Fund	6,000	6,927	12,927
Abbots Langley Fund - Premises Maintenance	9,219	(355)	8,864
Yorkshire Building Fund	2,193	-	2,193
Workshop Fund	4,951	9,829	14,780
Motor Vehicle Fund	-	14,313	14,313
	<u>392,087</u>	<u>20,721</u>	<u>412,808</u>
TOTAL FUNDS	<u>548,913</u>	<u>158,426</u>	<u>707,339</u>

**DEMAND DESIGN AND MANUFACTURE
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	715,854	(578,149)	137,705
Restricted funds			
Plant & machinery Fund	9,497	(2,570)	6,927
Workshop Fund	270,220	(260,391)	9,829
Motor Vehicle Fund	15,000	(687)	14,313
Building Fund	-	(9,993)	(9,993)
Abbots Langley Fund - Premises Maintenance	-	(355)	(355)
	<u>294,717</u>	<u>(273,996)</u>	<u>20,721</u>
TOTAL FUNDS	<u><u>1,010,571</u></u>	<u><u>(852,145)</u></u>	<u><u>158,426</u></u>

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 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.

16. 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.

	2013	2012
	£	£
Contributions payable by the company for the year	<u><u>18,351</u></u>	<u><u>19,141</u></u>

**DEMAND DESIGN AND MANUFACTURE
FOR DISABILITY**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2013**

17. RELATED PARTY DISCLOSURES

Included in accruals and deferred income is an amount of £7,677 for website design payable to appMotive, a company owned by Peter Evans, the brother of the Chief Executive Gary Evans.

18. 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 2013**

	2013	2012
	£	£
INCOMING RESOURCES		
Voluntary income		
Donations	798,809	621,681
Income tax recoverable	(239)	686
	<u>798,570</u>	<u>622,367</u>
Investment income		
Sale of assets	440	-
Bank deposit interest	5,227	5,486
	<u>5,667</u>	<u>5,486</u>
Charitable trading income		
Turnover	204,059	205,043
Other incoming resources		
Fundraising events	1,500	-
Trade revenue	775	-
	<u>2,275</u>	<u>-</u>
Total incoming resources	1,010,571	832,896
RESOURCES EXPENDED		
Cost of sales		
Opening stock	19,757	24,422
Purchases	41,268	44,070
Marketing	-	327
Wages	40,303	63,925
Social security	3,630	5,629
Pensions	1,699	1,165
Subcontract labour	1,078	85
Staff recruitment and training	-	3,100
Closing stock	(12,235)	(19,757)
	<u>95,500</u>	<u>122,966</u>
Fundraising and publicity		
Wages	83,094	94,546
Social security	8,174	8,959
Pensions	2,813	3,298
Hospitality	103	141
Carried forward	94,184	106,944

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**DEMAND DESIGN AND MANUFACTURE
FOR DISABILITY**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
Fundraising and publicity		
Brought forward	94,184	106,944
Printing, stationery and computer costs	155	212
Travel and subsistence	807	820
Marketing - Networking and events	4,286	85
Marketing - Appeals and publications	5,589	5,988
Marketing - Other	1,893	2,374
Marketing and subscriptions	2,703	1,403
Telecommunications	480	120
Training and recruitment	20	2,599
	110,117	120,545
Governance costs		
Wages	37,006	65,341
Social security	3,641	7,788
Pensions	1,253	2,718
Insurance	1,250	1,060
Legal and professional fees	616	28
Postage and stationery	-	75
Auditors' remuneration	5,000	5,000
Staff refreshments	91	54
Travelling expenses	-	158
Trustees expenses	332	827
	49,189	83,049
Other direct charitable expenses		
Wages	379,286	330,167
Social security	39,610	32,801
Pensions	13,184	11,960
Student support	20,400	19,200
Workshop and design expenses	19,155	17,083
Premises rent and rates	24,738	25,052
Motor vehicle expenses	14,752	12,592
Travelling and subsistence	2,426	1,236
Telecommunications	2,140	2,120
Insurance - Buildings	7,981	5,899
Insurance - Other	3,995	4,477
Cleaning and waste disposal	1,578	1,372
Staff refreshments	1,675	1,631
Sundry expenses	18	76
Irrecoverable VAT	5,243	2,378
Printing, postage and stationery	8,793	8,325
Training and recruitment	2,000	3,205
Bank charges	951	955
Hospitality	24	21
Carried forward	547,949	480,550

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**DEMAND DESIGN AND MANUFACTURE
FOR DISABILITY**

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	£	£
Other direct charitable expenses		
Brought forward	547,949	480,550
Bad debts	2,232	3,271
Website and hub	11,118	-
Marketing - Other	1,417	-
Premises repairs and maintenance	3,891	1,875
Premises LHP	14,612	16,809
Freehold property depreciation	9,993	9,993
Plant and machinery depreciation	3,068	3,831
Motor vehicles depreciation	3,059	3,503
	<u>597,339</u>	<u>519,832</u>
Total resources expended	852,145	846,392
	<u> </u>	<u> </u>
Net income/(expenditure)	<u>158,426</u>	<u>(13,496)</u>

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