



Registered Company Number: 02671913 (England and Wales)
Registered Charity Number: 1008128

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Report of the Trustees

and

Financial Statements

for

Year Ended 31 December 2015

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
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for the year ended 31 December 2015

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DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Reference and administrative details
for the year ending 31 December 2015

Status	The organisation is a charitable company limited by guarantee and not having share capital registered as a charity on 21 st July 1980 and incorporated on 17 th December 1991.	
Governing Document	The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.	
	In 2010 a trading subsidiary (DEMAND SRM Ltd) was established and which remains dormant.	
Company Registration Number	2671913	England & Wales
Charity Registration Number	1008128	England & Wales
Registered Office and Principal Office	The Old Chapel Mallard Road Abbots Langley Hertfordshire WD5 0GQ	
Honorary Officer	Russell Willcox	Chair
Principal Staff	Gary Evans	Chief Executive
Company Secretary	Frances Evans	
Bankers	Barclays Bank PLC, 137 Ladbrooke Grove, London W11 1PT	
Legal Advisors	Maxwell Winward LLP, 100 Ludgate Hill, London EC4M 7RE Touchstone Legal Services, 199 Camp Rd, St Albans AL1 5NB Witts Maloney Solicitors, 3 Marlowes Court, 67 Marlowes, Hemel Hempstead HP1 1LE	
Auditors	Gerald Edelman Chartered Accountants, 73 Cornhill, London EC3V 3QQ	

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Strategic Report

for the year ending 31 December 2015

Our purposes and activities

The purposes of the charity are:

The relief of disabled, handicapped or infirm persons and in particular:-

- to support people studying the design and making of furniture and equipment (including play equipment) for disabled people and to design and make such furniture and equipment
- to promote research into the needs of disabled people in the construction, adaptability and use of furniture or equipment to make such furniture and equipment and to publish the useful results of all such research

To do this we;

- design, refurbish, modify and manufacture furniture and equipment for use in connection with and to alleviate disability among persons individually or generally
- present, promote, organise, provide, manage and produce educational and outreach services materials and resources which are conducive to the promotion, maintenance and advancement of the knowledge and awareness of individuals and the public generally of the needs, requirements or problems of disabled people

The vision that guides our annual activities is that all people have the right to live life their way and that disability should be no barrier to opportunity or dignity.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The charity relies largely on donations and the income from equipment sales and refurbishment services to cover its operating costs.

The strategies employed to achieve the charity's aims and objectives are to:

1. To build a truly national bespoke equipment service
2. To create systems, platforms and processes for knowledge sharing, and to facilitate knowledge sharing
3. To increasing our visibility with health professionals, businesses and individuals
4. To develop our Original Equipment Design and Manufacturing (OEDM) capabilities
5. To strengthen and increase the long term resilience of the charity, culturally, financially and operationally

Putting these strategies into action we have 7 major areas of activity which are:

- Custom equipment design and manufacture
- New product design and manufacture
- Specialist equipment refurbishment services
- Inclusive sports equipment
- Education and Outreach
- Student Support
- User helpline

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Strategic Report

for the year ending 31 December 2015

Custom equipment design and manufacture

Our 'original' service, the modification of standard equipment and the design and manufacture of custom equipment remains a growing and vibrant element of our work. The projects we undertake range from the deceptively simple (e.g. a height adjustment to a walking frame) to the complicated (e.g. a fully articulating fold-away artist's easel for wheelchair users) and meet the needs of people of all ages. It is in working on such projects that our placement students really get to understand the meaning of user-centred design, inclusive design and design for disability.

New product design and manufacture

Often, our custom equipment work will reveal a wider unmet need which would remain so if left to commercial manufacturers. Specialist equipment represents a very small market and therefore many great ideas never see the light of day because they are not commercially viable. As a charity we will develop some custom projects for general availability and to that end undertake small batch production to satisfy real needs in the wider community. Such products provide a useful, albeit limited, income.

Specialist children's equipment refurbishment services

Many children, especially those who have just come out of hospital or a hospice or who have a short term need for a piece of specialist equipment have to wait many weeks which puts additional strain on families and can create physical difficulties for the child. Developed originally alongside Community Equipment Providers we have extended our service to other charities who work exclusively in this environment.

By professionally refurbishing equipment which is safe for re-issue we ensure that our charity partners are able to get much needed equipment to a child within a day or two which is a blessing for the child and their family or carer.

As an MHRA¹ registered manufacturer we are unique in being able to provide this technical and highly cost effective service which means many more children get access to equipment far quicker than would otherwise be the case.

Inclusive sports equipment

Initially developed to meet the needs of a custom equipment client, our popular range of Boccia Ramps already provides sporting opportunities for people on every continent (except Antarctica). Sports clubs, youth clubs, community groups and schools have access to a truly inclusive sport by investing in our low cost, entry-level 'Lite' model and at the top end of the range the Fusion is a full international competition class ramp suitable for the full range of players.

Education and outreach

Our roots lie firmly in the education sector having been founded within the London School of Furniture which itself could trace its origins back to the late 1800's. We have welcomed undergraduate students on placement for many years and we have now started working more formally with Universities to design and mentor inclusive design and design for disability course modules. We are generating teaching and learning resources and will make these available on-line and, as far as is practicable, free of charge. We fully intend extending our

¹ MHRA: Medicines & Healthcare Products Regulatory Agency - the government agency which ensures that medicines and medical devices work, and are acceptably safe.

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programmes to schools. In time our ambition is to materially influence Design and Technology curricula in the UK to have inclusive design as a cornerstone.

We have been developing, and will launch in 2016, www.cracked-it.org which is an on-line platform to connect people with equipment needs and challenges, with the global community of designers, engineers and makers. Cracked-it, which taps into the vibrant maker movement, will allow many more people to help themselves and to help others. The more people there are thinking about designing more inclusively, or applying themselves to helping solve every day problems and challenges for disabled people the better.

Achievements and Performance

Beneficiaries

	2015	2014	Change (YoY)
Beneficiaries: TOTAL	4,903	3,767	+30.2%
Beneficiaries: Equipment refurbishment & used equipment redistribution	2,680	1,656	+61.8%
Beneficiaries: Custom Equipment Projects	985	802	+22.8%
Beneficiaries: Small works and Community participation	351	486	-27.8%
Beneficiaries: Equipment Service and Repair	436	120	+263%
Beneficiaries: Inclusive and Disability Sports	284	690	-58.8%
Beneficiaries: Other	167	13	100%+
Students participating in education initiatives and placements	85	4	100%+
Apprentices in training	2	2	-

Financial Summary

	2015	2014	Change
Income (Total)	£831.8K	£972.5K	-14.5%
<i>Voluntary Income</i>	£628.9K	£785.5K	-19.9%
<i>Event fees and ticket sales</i>	£20.8K	£5.0K	+316%
<i>Self-Generated Income</i>	£174.7K	£177.0K	-1.3%
<i>Investment & Other Income</i>	£7.4K	£5.0K	+48%
Total Expense	£838.8K	£789.5K	+6.2%
Income (Net)	-£7.0K	£183K	-104%
Total Funds	£883.4K	£890.4K	-0.8%
<i>Unrestricted Funds</i>	£327.9K	£199.6K	+58%
<i>Designated Funds</i>	£145.8K	£205K	-28.9%
<i>Restricted Funds</i>	£409.7K	£485.8K	-13.2%
Forward Cover at Year End (months)	6.46	7.15	-9.3%
Cost per Beneficiary	£171.08	£209.58	-18.4%

Note: Amounts rounded to the nearest £100

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Strategic Report

for the year ending 31 December 2015

The charity is on a beneficiary growth trajectory which encompasses increases across all areas of activity plus the introduction of new education and outreach activities. A 30% increase in the number of people positively impacted by our work is an excellent result which could have been even higher but for technical challenges in the development of the Cracked-It on-line design and make for disability hub which delayed its launch until 2016.

Total income was £831,809; 14.5% down on the previous year total of £972,506. Total expense for the year was 6.2% more than in 2014 (£789,453) and totalled £838,833. This resulted in an operating deficit of £7,024 which was 87% less than budgeted for. Lower than expected average headcount caused by delays in finding suitable technically capable staff to fill vacancies was the main cause.

Overall voluntary income shows a significant decline compared with the previous year but most of this is because the last of deferred income (£80K) from a substantial 5-year grant was released. This compares with £200K in 2014. Run rate voluntary income was therefore 2.7% down year-on-year.

Our principal source of funds in 2015 was grant-making Trusts and Foundations which yielded 6.5% less than last year. This, we believe, is largely due to the timing of appeals and, to a lesser degree, increasing appeal volumes that Trusts receive as a direct result of declining Government and NHS funding for services. There remains some evidence of some Trusts and Foundations tightening their application criteria and more tightly focusing their areas of interest in any particular review period.

Income from the Communities and Business team grew by 12.3% following a focus on business relationships and fundraising events which also greatly helped the charity raise local awareness of our work.

The commercialisation of Local Authority Community Equipment provision over the past 2 to 3 years meant that the availability of equipment suitable for refurbishment and as a direct corollary, the quantities of surplus equipment available for re-sale has declined. In response we continue to look beyond statutory equipment providers and are developing partnerships with third sector equipment providers. Refurbishment services continue to deliver a good contribution. Boccia remains a steady source of income which was 17.7% up compared to last year.

Overall self-generated Income was broadly on par with last year which is pleasing given the negative changes in the refurbishment and donated equipment space.

Designated Funds – building a DEMAND fit for the 21st century

The funds designated to support the charity's drive to reach more people with existing services and for the development of new products and initiatives stands at £145,760. This is higher than budgeted. The underspend from the fund is largely down to the timing of projects and delays in the recruitment of design staff and has been rolled over into 2016 in the expectation that the fund will be used according to the strategic plan.

Plans for Future Periods

We are determined to directly help more people by designing and making amazing solutions to everyday challenges and frustrations as well as enabling people with disabilities to access the opportunities they want to in the way that best works for them. This means organising ourselves differently and being even more creative in the way we design and make.

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for the year ending 31 December 2015

We have ambitious plans to ramp up our education related activities, to work with more design and engineering students, makers and problem solvers, to raise awareness of and to instruct in great design for disability as well as for inclusivity. We will become an important and influential point of reference in the disability equipment world.

We will seek to continuously improve our clients experience and to make it easier and quicker for our clients to benefit from our services.

The essential growth of unrestricted income continues to be a priority for the charity and we are setting high targets in every fundraising area to achieve this. Our primary focus will be to bridge the £250,000 a year income gap that stands between us and all our goals.

We aim to work with more businesses, strengthen our events portfolio, and engage better with individual givers and supporters, and in so doing build future legacy income.

Principal Risks and Uncertainties

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

The trustees have a risk management strategy which comprises:

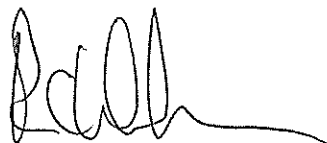
- Periodic review of the principal risks and uncertainties that the charity faces
- the establishment of policies, systems and procedures to mitigate those risks identified in the review
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is diversification of income streams, a focus on raising unrestricted funds, regular review of available liquid funds, to settle debts as they fall due, active management of trade debtors and creditors balances to ensure sufficient working capital.

Attention has also been given to non-financial risks arising from fire, health and safety of volunteers, staff and clients and, in the clients' case, from product defects or failure.

These risks are managed by ensuring accreditation is up to date, having robust systems, policies and procedures in place, regular training for staff. All custom equipment projects are subject to comprehensive risk assessments, pre-delivery testing and follow-ups.

On behalf of the board:



Russell Willcox
Chair of Trustees

8th July 2016

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Report of the Trustees
for the year ending 31 December 2015

The trustees are pleased to present their annual Directors' report together with the financial statements of the charity for the year ending 31 December 2015 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Chair's summary

We are now a full year into our five-year plan which is focused on helping many more people live life their way and have made important, tangible progress. We have developed new education services to better promote inclusive design and to improve understanding of the equipment needs of disabled people, improved our manufacturing capability, re-organised ourselves in order to improve project throughput and also have a significant online outreach initiative in the pipeline.

We remain committed to investing in people, plant, machinery and skills in order to exponentially increase the number of people who directly and indirectly benefit from our 35 years' design for disability experience.

2015 was a very busy year for the charity. Over 4,900 people benefitted from our services and from equipment designed, made, modified and refurbished at our engineering centres. This represents a 30% increase over the previous year; testimony to the dedication and application of our teams in Hertfordshire and West Yorkshire.

We have worked hard to increase our public profile so that more people in need of specialist equipment can find us. We have 15 videos on our You Tube channel which have been viewed over 53,000 times by people in Australia, Canada, France, Germany, Italy, Japan, Netherlands, Spain, USA as well as the UK.

Our Boccia Ramps are providing sporting opportunities for people on every continent except Antarctica and we are developing some interesting products which have roots in custom equipment projects.

We have engaged with our local communities like never before – resulting in our first Gala Fundraiser which was enormously well supported by businesses large and small.

These are, indeed, exciting times for the charity which has an eye very firmly on the future.

Our achievements are only possible with the continued backing of the plethora of Trust and Foundations, businesses (both local and global), community groups and a legion of individuals up and down the country who enthusiastically fundraise for us.

On behalf of the Trustees, I would like to thank all of the team, our donors and supporters who have made it possible for more disabled people to live life their way and I warmly invite you to visit our engineering centres to meet the team and take a closer look at our work.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Report of the Trustees

for the year ending 31 December 2015

Public Benefit

The primary 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. Our services are provided without prejudice and meet identified and unmet need.

In 2015 we provided the following services

- The design, manufacture and modification of equipment to solve everyday living, work, mobility and recovery challenges for disabled people whether their disability is permanent or temporary
- The design, manufacture and modification of equipment to aid therapy and recovery from injury
- The design, manufacture and modification of equipment that provide enhanced opportunity for disabled people to participate in leisure, sporting, fitness, travel, cultural and artistic activities
- The refurbishment of specialist disability equipment for safe re-issue by Community Equipment providers and other charities
- 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
- The provision of engineering skills training in the form of apprenticeships
- The provision of educational placements for design and engineering graduates
- The promotion of inclusive design education in the form of mentored undergraduate product design course modules

Ensuring our work delivers our aims

We review our goals and key supporting strategies every 12 months in the context of longer term three or five-year plans. The activities and projects which support each strategy and progress against defined deliverables in the context of public benefit are reviewed by the Trustees quarterly.

Looking forward - Objectives for 2016

In line with the charity's five-year plan our major objectives remain;

- a) To extend the reach and effectiveness of our core design and manufacturing service so that many more people benefit from enabling equipment which improves independence and which facilitates access to life enriching opportunities.
- b) To develop services, globally accessible where possible, which connect, inspire and motivate designers, makers and engineers to play an active part in developing better equipment solutions for disabled people.
- c) To develop new products and services, in line with our core purpose, which make a positive contribution to the charity's balance sheet.
- d) To grow sustainable voluntary income, primarily unrestricted in nature, in order to achieve our goals.

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Report of the Trustees
for the year ending 31 December 2015

- e) To continue to raise our profile and reputation.
- f) To Invest in and optimise the potential of our people through the introduction and adoption of new systems, processes and methods that drive high performance and innovation at all levels of our business.

Reserves Policy

The reserves policy is to maintain forward cover of between 3 and 9 months. This policy was re-affirmed at the December 2015 Board Meeting and is designed to ensure we can continue to provide public benefit when subject to short term negative economic conditions, especially those affecting our major sources of donations.

Keeping an engineering operation open and effective means we have to be able to recruit and retain skilled technical staff and keep the means of production working which takes premises, heat, light and power.

We have calculated that the absolute minimum buffer the charity needs is 3 months but ideally 6 to 9 months in order to

- Mitigate the risks associated with uncertainties associated with fundraising
- Mitigate the risks associated with the loss of and recruitment of key staff

Total unrestricted reserves at 31st December 2015 were £473,612 of which the trustees have designated £145,760 in support of the 5-year development plan. The general fund therefore stands at £327,852.

Forward cover at the year-end stood at 6.46 months which is within the charity's policy.

For the purposes of calculating forward cover, Current Assets include some restricted funds which can easily be identified as funds that will, with no doubt, be spent in the next 12 months (e.g. Funds restricted to custom equipment projects for people of certain age groups).

Structure, Governance and Management

DEMAND is a charity and a Company Limited by Guarantee which is overseen by a Board of Trustees, currently numbering 9, who are also Directors under Company Law with no beneficial interest in the charity.

Directors of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2015 was 9 (2014; 9).

The Trustees meet quarterly and determine the overall direction for the charity, the business and operating controls and measures of success. Day-to-day decision making is exercised by the Chief Executive, along with the senior management team, consisting of the Finance and Administration Director and the Operations Director.

Pay policy for senior staff

The directors consider the Board of directors, who are the charity's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 11 to the accounts.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Report of the Trustees
for the year ending 31 December 2015

The pay of the senior staff is reviewed annually and normally increased in line with inflation should finances allow. In view of the nature of the charity, the directors benchmark against pay levels in small and medium engineering companies. If recruitment conditions demand, a market addition may also be paid.

Trustees

Trustees, and the only members of the Company, who served during the year and up to the date of this report were as follows:

Russell Willcox (Chair)	William Sietz
Lady Hermione Grimston	Anthony Soothill
Robert Mankin	Katherine White
Thomas Mercer	Jane Whiteley
The Hon. Clare Renton	

Board Sub-committees

In exceptional circumstances there is a Finance Sub-Committee (FSC) - consisting of 3 trustees and the senior management team - which has delegated authority to act on financial matters on behalf of the Board. The FSC commits to be available at short notice to enable swift decision making and action.

Recruitment and Appointment of New Trustees

New Trustees may be appointed by a decision of the existing Trustees. Following appointment, all new Trustees have an induction programme in order that they can properly undertake and fulfil their responsibilities to the charity.

Whilst there is no set length of term for trustees' appointments, one third of the trustees must present themselves for re-election by rotation at every Annual General Meeting (AGM) which is normally held in April every year. Retiring trustees are eligible for re-appointment at the AGM by majority vote of a quorate board.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Report of the Trustees
for the year ending 31 December 2015

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:

- 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.

On behalf of the board:



Russell Willcox
Chair of Trustees

8th July 2016

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Independent Auditors' Report to the members
for year ending 31 December 2015

We have audited the financial statements of DEMAND Design and Manufacture for Disability for the year ended 31 December 2015 on pages 14 to 31. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Generally Accepted Accounting Practice applicable to Charities (SORP) including Financial Reporting Standard 102 (FRS102).

This report is made solely to the charitable company's members and Trustees, 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 parent company's members and Trustees 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 and Trustees 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 in the report of the Trustees on page 11, 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 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. 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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Independent Auditors' Report to the members
for year ending 31 December 2015

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity company's affairs as at 31 December 2015 and of the charity's 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 Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the Trustees, including the Trustee and Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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:

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records or 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



Engin Zekia FCA (Senior Statutory Auditor)

For and on behalf of Gerald Edelman

Chartered Accountants

Statutory Auditors

73 Cornhill

London

EC3V 3QQ

8th July 2016

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Statement of Financial Activities
for year ending 31 December 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Income:					
Donations and Legacies	2	445,843	183,009	628,852	785,608
Charitable Activities	3	171,708	3,000	174,708	176,952
Other Trading Activities	4	20,713	50	20,763	4,963
Investments	5	4,111	-	4,111	4,608
Other	6	3,375	-	3,375	375
Total income		645,750	186,059	831,809	972,506
Expenditure:					
Fundraising	7	127,648	225	127,873	104,802
Charitable activities	8	449,124	261,836	710,960	684,651
Total expenditure		576,772	262,061	838,833	789,453
Net income / (expenditure) and net movement in funds for the year		68,978	(76,002)	(7,024)	183,053
Reconciliation of funds:					
Total funds brought forward		404,633	485,759	890,392	707,339
Total funds carried forward		473,611	409,757	883,368	890,392

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Balance Sheet
at 31 December 2015

	Notes	2015 Total funds £	2014 Prior year funds £
Fixed assets:			
Tangible assets	16	362,891	366,089
Investments	17	1	1
Total fixed assets		362,892	366,090
Current assets:			
Stocks		15,458	8,756
Debtors	18	35,950	39,854
Cash at bank and in hand		636,966	745,842
Total current assets		688,374	794,452
Liabilities:			
Creditors: Amounts falling due within one year	19	(167,898)	(270,150)
Net current assets		520,476	524,302
Total assets less current liabilities		883,368	890,392
Net assets			
		883,368	890,392
The funds of the charity:			
Unrestricted funds	20	327,852	199,633
Designated development fund		145,760	205,000
Restricted income funds		409,756	485,759
TOTAL FUNDS		883,368	890,392

These financial statements have been prepared in accordance with the Companies Act 2006 relating to charitable companies and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102))

The financial statements were approved by the Board of Trustees on 8th July 2016

and were signed on its behalf by:



Russell Willcox
Chair of Trustees

Registered Company Number: 02671913

The notes on pages 17 to 31 form part of the financial statements

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Statement of Cash Flows
for year ending 31 December 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Cash used in operating activities	23	33,796	(134,753)	(100,957)	10,396
Cash flows from investing activities					
Interest income		4,111	-	4,111	4,608
Proceeds from the sale of fixed assets		3,375	-	3,375	375
Purchase of tangible fixed assets		(13,524)	(1,881)	(15,405)	(2,341)
Cash provided by (used in) investing activities		(6,038)	(1,881)	(7,919)	2,642
Cash flows from financing activities					
Loans raised		-	-	-	-
Repayment of borrowings		-	-	-	-
Cash flows from financing activities		-	-	-	-
Increase (decrease) in cash and cash equivalents in the year		27,758	(136,634)	(108,876)	13,038
Cash and cash equivalents at the beginning of the year		440,510	305,332	745,842	732,804
Total cash and cash equivalents at the end of the year	24	468,268	168,698	636,966	745,842

Included in restricted cash of £168,698 is £118,317 of deferred income, restricted to a capital building in Yorkshire.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

Notes on the accounts

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

DEMAND Design and Manufacture for Disability meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatement was considered necessary.

Preparation of the accounts on a going concern basis

The charitable company reported a cash outflow of £108,876 for the year. The trustees are of the view that this is well within the parameters set within the annual budget and wholly in line with the charity's strategy of investing in skills and modern production machinery in support of its beneficiary growth aspirations.

Income

Income is recognised when the charity has entitlement to the funds and that any performance conditions attached to the item(s) of income have been met.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

1 Accounting policies - continued

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised but their contribution acknowledged in other publications and communications.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work, for specific projects or for work in particular geographies and/or for work with particular groups of people.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of fundraising
- Expenditure on charitable activities includes the costs of the development and manufacture of custom equipment and small batch produced products; the delivery of specialist equipment related services; the development and manufacture of inclusive sports equipment; the provision of an expert helpline; the provision of student placements, educational materials, resources and events; and digital outreach, undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in notes 8 and 9.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

1 Accounting policies - continued

Operating leases

The charity classifies the lease of equipment (e.g. photocopiers) as operating leases; the title to the equipment remains with the lessor and the equipment is generally replaced every 3 to 5 years.

Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Asset Category	Annual rate	
Freehold land and buildings	2%	on cost
Plant, equipment and tools	10–33%	on cost
Motor vehicles	25%	on cost

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

All employees of the charity were entitled to join the charity's defined contribution pension scheme (after 3 months' employment) which is funded by contributions from employee and employer. Members of the scheme may also contribute Additional Voluntary Contributions which are funded by the employee alone. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The employer's contributions made to the scheme in 2015 were £18,619 (2014: £17,308) with an employer's contribution rate of 5% of pensionable pay and an employee's contribution of 5% of pensionable pay. The charity acts as agent in collecting and paying over employee pension contributions.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

1 Accounting policies - continued

Taxation

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

Transition to FRS 102

No restatement of items has been required in making the transition to FRS 102. The transition date was 1st January 2014.

	2015	2014
	£	£
2 Donations and legacies		
Donations	628,852	785,608
	628,852	785,608

The income from donations was £628,852 (2014: £785,608) of which £445,843 was unrestricted (2014: £526,058) and £183,009 restricted (2014: £259,550).

	2015	2014
	£	£
3 Charitable activities		
Refurbishment of specialist children's equipment	88,183	78,249
Inclusive sports equipment	54,859	46,552
Donated specialist equipment	15,013	27,237
Service and repair of specialist equipment	9,718	6,258
DEMAND's own products	3,015	15,830
Conditional grants	3,000	-
Other	920	2,826
	174,708	176,952

	2015	2014
	£	£
4 Other trading activities		
Event ticket sales & related trading income	20,392	3,463
Other trade revenue	371	1,500
	20,763	4,963

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

	2015	2014
5 Investment income	£	£
Interest received gross	4,111	4,608
	<u>4,111</u>	<u>4,608</u>
	2015	2014
6 Other	£	£
Sale of assets	3,375	375
	<u>3,375</u>	<u>375</u>
	2015	2014
7 Expenditure on raising funds	£	£
Fundraising	112,751	102,337
Fundraising events & related trading costs	11,962	2,465
Gifts in kind - event related	3,160	-
	<u>127,873</u>	<u>104,802</u>

Expenditure on fundraising activities was £127,873 (2014: £104,802) of which £127,648 was unrestricted (2014: £102,687) and £225 was restricted (2014: £2,115).

In addition to directly attributable fundraising costs, expenditure on fundraising includes a total of £1,198 (2014: £Nil) of allocated governance costs, of which £1,198 (2014: £Nil) was unrestricted, and £Nil (2014: £Nil) was restricted.

There were also £3,407 (2014: £Nil) of total allocated support costs, of which £3,182 (2014: £Nil) was unrestricted, and £225 (2014: £Nil) was restricted to our Yorkshire area office (see note 9)

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

8 Analysis of expenditure on charitable activities

Key to activity headings

[CE] Custom equipment [ODP] Other DEMAND products

[SRM] Specialist equipment servicing, repair & refurbishment

[ISE] Inclusive sports equipment [E&O] Education and outreach [HL] Helpline [SS] Student support

	CE	ODP	SRM	ISE	E&O	HL	SS	Total 2015
	£	£	£	£	£	£	£	£
Designing, producing & delivering products and services	295,206	13,527	82,784	34,462	31,518	2,492	32,326	492,315
Marketing	43,387	2,329	2,836	4,952	5,244	587	-	59,335
Premises	26,480	499	10,862	1,248	998	499	3,991	44,577
Depreciation Premises	9,993	-	-	-	-	-	-	9,993
Depreciation Investment	8,610	-	-	-	-	-	-	8,610
Governance	23,157	993	6,201	2,481	1,985	993	1,397	37,207
Support costs	30,670	1,357	8,801	6,218	5,944	1,357	4,576	58,923
Total	437,503	18,705	111,484	49,361	45,689	5,928	42,290	710,960

Expenditure on charitable activities was £710,960 (2014: £684,651) of which £449,124 was unrestricted (2014: £500,167) and £261,836 was restricted (2014: £184,484).

See next page for the analysis of expenditure on charitable activities for the previous year (2014).

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

8 Analysis of expenditure on charitable activities - continued

Key to activity headings

[CE] Custom equipment [ODP] Other DEMAND products

[SRM] Specialist equipment servicing, repair & refurbishment

[ISE] Inclusive sports equipment [E&O] Education and outreach [HL] Helpline [SS] Student support

Analysis of expenditure on charitable activities for the previous year (2014)

	CE	ODP	SRM	ISE	E&O	HL	SS	Total 2014
	£	£	£	£	£	£	£	£
Designing, producing & delivering products and services	338,000	20,011	65,139	27,306	7,303	2,002	36,089	495,850
Marketing	17,478	-	889	1,448	1,448	-	-	21,263
Premises	27,234	630	11,509	1,575	1,260	630	5,040	47,878
Depreciation Premises	9,993	-	-	-	-	-	-	9,993
Depreciation Investment	8,188	-	-	-	-	-	-	8,188
Governance	29,959	1,224	7,214	3,063	2,451	1,224	909	46,044
Support costs	22,001	4,834	9,653	5,553	5,313	4,834	3,247	55,435
Total	452,853	26,699	94,404	38,945	17,775	8,690	45,285	684,651

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

9 Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the seven key charitable activities undertaken (see note 8) in the year.

Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

	Basis of apportionment	General support £	Governance £	Total 2015 £
Trustee meetings	Actual Cost	-	464	464
Salaries and related costs	Allocated on time	49,132	30,072	79,204
Audit fees	Governance	-	5,000	5,000
Legal and professional	Governance	-	1,748	1,748
Insurances	Governance	-	1,070	1,070
General office	Pro rata staff full time equivalents	13,198	51	13,249
Total		62,330	38,405	100,735

	Fundraising £	Charitable activities £	Total 2015 £
General Support	3,407	58,923	62,330
Governance	1,198	37,207	38,405
Total	4,605	96,130	100,735

See next page for the analysis of expenditure on charitable activities for the previous year (2014).

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

9 Analysis of governance and support costs – continued

Analysis of governance and support costs – previous year (2014)

	Basis of apportionment	General support	Governance	Total 2014
		£	£	£
Trustee meetings	Actual Cost	-	531	531
Salaries and related costs	Allocated on time	39,830	38,678	78,508
Audit fees	Governance	-	5,000	5,000
Legal and professional	Governance	-	607	607
Insurances	Governance	-	1,228	1,228
General office	Pro rata staff full time equivalents	15,605	-	15,605
Total		55,435	46,044	101,479

	Fundraising	Charitable activities	Total 2014
	£	£	£
General Support	-	55,435	55,435
Governance	-	46,044	46,044
Total	-	101,479	101,479

	2015	2014
	£	£
10 Net income /(expenditure) for the year		
Net resources are stated after charging:		
Bank interest payable	500	3
Auditors' remuneration	5,000	5,000
Depreciation - owned assets	18,603	18,181

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

11 Trustees' remuneration and benefits

There were no Trustees' remuneration or other benefits for the year ended 31 December 2015 nor for the year ended 31 December 2014.

The cost to the charity of indemnity insurance relating to the trustees for the year amounted to £785 (2014: £925).

Trustees' expenses

Two trustees' were reimbursed for travelling expenses totalling £335 (2014: £129) in the year ended 31 December 2015.

The charity also met the expense of providing room hire and sandwiches for trustee meetings. For the year ended 31 December 2015 these expenses totalled £129 (2014: £402).

	2015	2014
	£	£
12 Staff costs		
Salaries and wages	540,620	502,576
Social security costs	52,728	47,731
Pension costs	18,619	17,308
	<u>611,967</u>	<u>567,615</u>

The average monthly head count was 19 staff (2014: 18 staff)

	2015	2014
Production staff	13	13
Fundraising	2	2
Management and administration	3	3
Marketing	1	-
	<u>19</u>	<u>18</u>

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

	2015	2014
£60,001 - £70,000	2	1

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

13 Related party transactions

Included in Education and Outreach activities is an amount of £1,832 (2014: £6,660 for initial design and development) for 'Cracked-It' on-going development and support, paid to appMotivate, a web and web applications company owned by Peter Evans, the brother of the Chief Executive Gary Evans

14 Government grants

During the year we received £3,000 in grants towards the employment costs of our two apprentices

15 Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects

16 Tangible fixed assets

	Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2015 £
Cost				
At 1 January 2015	499,633	174,857	32,835	707,325
Additions	-	15,405	-	15,405
Disposals	-	(14,861)	-	(14,861)
At 31 December 2015	499,633	175,401	32,835	707,869
Depreciation				
At 1 January 2015	149,895	168,236	23,105	341,236
Charge for year	9,993	3,688	4,922	18,603
Eliminated on Disposal	-	(14,861)	-	(14,861)
At 31 December 2015	159,888	157,063	28,027	344,978
Net book value				
At 31 December 2015	339,745	18,338	4,808	362,891
At 31 December 2014	349,738	6,621	9,730	366,089

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

16 Tangible fixed assets - continued

The closing net book value represents fixed assets used for:

	Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2015 £
Direct charitable purposes	305,771	18,338	4,808	328,917
Management and administrative purposes	33,974	-	-	33,974
	<u>339,745</u>	<u>18,338</u>	<u>4,808</u>	<u>362,891</u>

17 Fixed asset investments

	Shares in group under- takings 2015 £
Market value	
At 1 January 2015 and 31 December 2015	<u>1</u>
Net book value	
At 31 December 2015	<u>1</u>
At 31 December 2014	<u>1</u>

There were no investments outside the UK.

The charitable 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%

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

18 Debtors

	2015	2014
	£	£
Trade debtors	21,579	8,685
Other debtors	3,241	3,322
Prepayments and accrued income	11,130	27,847
	35,950	39,854
	35,950	39,854

19 Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	10,299	2,910
Accruals and deferred income	129,370	225,101
Taxation and social security costs	26,048	15,881
Other creditors	2,181	26,258
	167,898	270,150
	167,898	270,150

Deferred income of £118,317 (2014: £198,317) included in accruals and deferred income represents restricted donations received in advance.

20 Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance	Incoming resources	Resources expended	Transfers	Funds
	01 Jan '15				31 Dec '15
	£	£	£	£	£
General Fund	199,633	645,751	(517,532)	-	327,852
Designated Fund	205,000		(59,240)	-	145,760
	404,633	645,751	(576,772)		473,612
	404,633	645,751	(576,772)		473,612

General Fund

The 'free reserves' after allowing for all designated funds

Designated Fund

Designated development fund in support of the charity's beneficiary growth plan.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

20 Analysis of charitable funds - continued

	Balance	Incoming resources	Resources expended	Transfers	Funds
	01 Jan '15				31 Dec '15
	£	£	£	£	£
Restricted funds					
Building fund	351,931	-	(9,993)	-	341,938
Plant and machinery fund	10,415	3,500	(5,963)	-	7,952
Abbots premises repairs fund	7,323	-	(2,635)	-	4,688
Workshop fund	104,720	175,058	(233,222)	-	46,556
Education & outreach fund	-	7,500	(7,500)	-	
Motor vehicle Fund	11,370	-	(2,748)	-	8,622
	485,759	186,058	(262,061)	-	409,756
Total Funds	890,392	831,809	(838,833)	-	883,368

Building fund	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.
Plant and machinery fund	The Plant and 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.
Abbots premises repairs fund	The Abbots premises repairs fund holds funds for the maintenance and repair of the Abbots Langley premises.
Designated development fund	The Designated development fund was established in 2014 to fund investment in skills and equipment which would increase the charity's resilience, efficiency and capabilities to meet the challenges of the charity's beneficiary growth plan.
Education and outreach fund	The Education and outreach fund was established in 2014 to extend Demand's work with schools and Universities to increase awareness of the needs of disabled people, to promote best practice in assistive equipment design and to promote inclusivity in product design.
Workshop fund	The Workshop fund was established to hold funds given to carry out our work delivering equipment to our beneficiaries with a restriction attached (for example: a restriction relating to a specific condition, age group or geography).

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2015

21 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.

	2015	2014
	£	£
Contributions payable by the company for the year	18,619	17,308

22 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.

23 Reconciliation of net movement in funds to net cash flow from operating activities

	2015	2014
	Total	Total
	£	£
Net movement in funds	(7,024)	183,053
Add back depreciation charge	18,603	18,181
Deduct interest income from investing activities	(4,111)	(4,608)
Deduct net proceeds from the sale of fixed assets	(3,375)	(375)
Decrease (Increase) in stock	(6,702)	3,479
Decrease (Increase) in debtors	3,904	9,397
Increase (decrease) in creditors	(102,252)	(198,731)
Net cash used in operating activities	(100,957)	10,396

24 Forward cover

The Charity's policy is to maintain an average level of reserve equivalent to 6 months operating expenses with a minimum of 3 months and a maximum of 9 months. At the end of 2015 net Assets making up the charity's reserve for forward cover purposes were £482,690. Our strategy of investment in skills and capabilities will see this fall to £354,256 by the end of 2016; equating to a forward cover of 4.64 months of budgeted operational expenditure for the year ending 31 December 2016.

