

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

**DEMAND DESIGN AND MANUFACTURE FOR
DISABILITY
(A Company Limited By Guarantee)**

**Annual Report
and
Financial Statements
for
Year Ended 31 December 2016**

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
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for the year ended 31 December 2016

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DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Reference and administrative details for the year ending 31 December 2016

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	
Current Trustees	Lady Hermione Grimston Robert Mankin Thomas Mercer Morag Reavley The Hon. Clare Renton William Sietz Anthony Soothill Katherine White Russell Willcox	
Honorary Officer	Anthony Soothill	Chair
Principal Staff	Gary Evans	Chief Executive
Company Secretary	Frances Evans	
Bankers	Barclays Bank PLC, 137 Ladbroke 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	
Independent Auditors	Gerald Edelman Chartered Accountants, 73 Cornhill, London EC3V 3QQ	

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Strategic Report
for the year ending 31 December 2016

Our purposes and activities

The purposes of the charity are stated as:

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

In a current context this means helping people to overcome barriers to independence, inclusion and participation and we do this by;

- designing, refurbishing, modifying, repurposing and manufacturing furniture and equipment for disabled people to help them live life their way, and
- providing, promoting, organising, managing and producing 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 and problems of disabled people

The vision that guides our day-to-day 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 strategies employed to achieve the charity's aims and objectives are to:

1. To offer a nationally accessible custom equipment service
2. To create and make available, systems, platforms and processes for knowledge sharing, and to facilitate knowledge sharing
3. To continuously develop our Original Equipment Design and Manufacturing (OEDM) capabilities
4. 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:

1. Custom equipment design and manufacture
2. New product design and manufacture
3. Specialist equipment refurbishment services
4. Inclusive sports equipment
5. Education and Outreach
6. Student Support
7. User helpline

Custom equipment design and manufacture

Our 'original' service, the modification of standard equipment and the design and manufacture of custom equipment is a vibrant element of our work. The projects we undertake range from the deceptively

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Strategic Report for the year ending 31 December 2016

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. Projects vary in cost from a few hundred pounds to many thousands as well as in delivery lead time from a couple of days to many months. It is in working on such projects that our placement and work experience 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 often have to wait many weeks which puts additional strain on families and can exacerbate physical difficulties for the child. Originally developed alongside local authority Community Equipment Providers we have since extended our service to other charities who work exclusively in this environment.

By professionally refurbishing equipment which is then 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.

There has been a marked decline in the demand for this service amongst community equipment providers owing to the recently adopted and widespread practice of outsourcing equipment services to commercial organisations who choose not, in general, to re-issue used equipment.

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 and the inception of the Polytechnic movement. We have welcomed undergraduate students into our workshops, on year-long placements for many years and we are also working more formally with Universities to design and mentor inclusive design and design for disability course modules. We have developed www.cracked-it.org which is an on-line platform designed to connect people with equipment needs and challenges to a global community of designers, engineers and makers. In addition Cracked-it.org provides a platform on which we share

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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designs for custom equipment which are available under open license, allowing many more people to help themselves and to help others wherever they are in the World.

Achievements and Performance

Over the past 2 years we have been working hard to modernise the charity, to extend our reach, to reduce cost and to spread the word about our work and the fabulous people we work with further and wider than ever. At the same time we find ourselves, as do many small charities, in challenging economic circumstances.

Operating on the very edges of health and social care, changes in legislation, economic uncertainty, a plethora of enormous social issues both nationally and globally means we have found it increasingly difficult to attract the levels of voluntary funding we need to fund the charity in its current form.

We are undoubtedly experiencing a 'new normal' with regard voluntary funding and are therefore putting in place a framework for increasing self-sufficiency in the long term which will benefit a wider community through a broader service. We aim to be of even greater value than we already are.

In all, 4,438 people benefited from our work during the year compared with 4,903 in 2015. This represents a 9.5% fall which is in line with the similar fall in income for the year (see below). We helped more people (1950 v 1418) with our custom equipment service, 2,410 through products and services (e.g. service and repair, Boccia ramps etc.) and 78 young people in the course of their studies. The small decrease in beneficiaries compared with 2015 was expected given the changes in our operating environment alluded to earlier and the resources we applied to developing our on-line presence and cracked-it.org which are vital elements in extending our reach.

Total income was £736,662; 11.4% down on the previous year total of £831,809. Total expense for the year was 5.2% more than in 2015 (£838,833) and totalled £882,202. This resulted in an operating deficit of £145,540 which was fractionally less than budgeted for.

Overall voluntary income shows a significant decline compared with the previous year. Our principal source of funds in 2016 was grant-making Trusts and Foundations which yielded 8.7% 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 and increasing pressure to help fund high profile humanitarian programmes and campaigns. There is some evidence of 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 18.1% following a continued focus on business relationships and a renewed community building effort through social media in particular.

The commercialisation of Local Authority Community Equipment provision which had negatively impacted on our self-generated income in 2015 has largely washed through the system. We successfully grew our refurbishment and service and repair operation by 15.4% but this was countered by a 24% fall in product sales, mainly in our Boccia ramp range. However, in a fast maturing market with no in-year product refresh to mitigate greater levels of competition from commercial manufacturers this decline is understandable and manageable. Overall self-generated Income was down 1.86% on the previous year.

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 £51,049. This is higher than budgeted. The

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Strategic Report
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underspend from the fund reflects a growing caution in the charity in light of the decline in income and what the Trustees recognise as a need for a pause in order to conduct a strategic review at the mid-point of the current 5-year plan.

Plans for Future Periods

We work with disabled people to overcome barriers to independence, inclusion and participation and we are determined to directly help more disabled people by designing and making amazing solutions to everyday challenges and frustrations as well as enabling disabled people to access the opportunities they want to in the way that best works for them.

With ever improving products and services now available 'off the shelf', a fast changing national age profile, uncertainty around voluntary income and increasing challenges in harnessing the plethora of media channels to get our message heard and our work recognised we must re-imagine how we add value to our community of disabled people, their families, carers and associated health and social care professionals and so 2017 will feature a root and branch strategic review of the charity's activities to ensure that we continue to deliver a high quality and high value service to our stakeholders.

The key themes which continue to guide us are;

Co-operation

Using our connections and expertise to help more people directly through more collaborations with designers, engineers and makers everywhere as well as virtually by creating open source designs to help others help themselves and to help others.

Capability

Investing in people and technologies to improve our ability to offer increasingly advanced solutions which remove barriers to inclusion, participation and independence.

Community

We have always provided a service to anyone in need without prejudice and continue to look for ways to better engage the wider community. We have excellent facilities and a great deal of skill and experience which can be shared for wider social benefit.

Championing

Better design for all. We will do this by encouraging and nurturing design and engineering talent for social good. Education has always been a cornerstone of DEMAND's work and we will continue to give young people setting out on their careers an unique insight into, and practical experience of, design and manufacture for disability through work experience, student placements, design briefs and events.

The growth of unrestricted voluntary income continues to be a priority for the charity and we will continue to engage with more businesses, strengthen our events portfolio, and communicate better with individual givers and supporters to build a strong, engaged and resilient community of users, helpers, donors and advocates.

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:

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- 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, and 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 backed up with 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:



Anthony Soothill
Chair of Trustees

22nd September 2017

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Report of the Trustees
for the year ending 31 December 2016

The Trustees are pleased to present their Annual Report together with the financial statements of the charity for the year ending 31 December 2016 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

The five-year plan we set in motion in 2015 is focused on helping many more people live life their way and we have made important, tangible progress. Whilst 2015 saw several initiatives come to fruition, 2016 has been a time of testing and experimenting to understand how best to harness the potential of cracked-it.org, how to add greater value to design students and how to extend our reach even more effectively by publishing designs for assistive devices under open license for anyone to replicate.

We have fine-tuned our work with deMontfort University and Nottingham Trent University to increase awareness and to provide practical experience of designing for disabled people and our own placement students continue to make a tangible difference to so many people.

Our improved manufacturing capability has allowed us to innovatively re-think the design of some of our products as well as open up potential revenue streams.

2016 was another very busy year for the charity. Nearly 4,500 people benefitted from our services and from equipment designed, made, modified and refurbished at our engineering centres. This represents a small fall compared with the previous year but without increasing headcount and with several new initiatives to bed in this is no surprise and should be celebrated.

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

It has also been a testing time with regard to income generation with the consequence that we will be conducting a root and branch review of our operation early in 2017 which will mean restructuring the charity to improve long term sustainability and to be able to take advantage of new opportunities to engage with new user communities and to play a more active role in changing the disability narrative.

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 us to meet the team and to learn more about our work.

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.

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Report of the Trustees
for the year ending 31 December 2016

In 2016 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
- The sharing of designs under open license to assist others in their endeavours to help disabled people

Ensuring our work delivers our aims

We review our goals and key supporting strategies regularly 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 2017

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.
- 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 2016 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 requires premises, heat, light and power.

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We have calculated that the absolute minimum buffer the charity needs is 3 months but ideally aim to maintain 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 2016 were £374,599 of which £51,049 remains designated to support the charity's 5-year development plan. The general fund therefore stands at £323,550, which is equivalent to approximately 4 months' expenditure at 2016 levels.

Restricted reserves at 31st December 2016 were £655,981 of which £643,449 was restricted to fixed assets held by the charity and an additional £12,532 available for projects tightly restricted by geography, age or disability or a combination of these.

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 2016 was 9 (2015: 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.

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)	The Hon. Clare Renton	Jane Whiteley (retired May 2016)
Lady Hermione Grimston	William Sietz	Morag Reavley (appointed December 2016)
Robert Mankin	Anthony Soothill	
Thomas Mercer	Katherine White	

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Report of the Trustees
for the year ending 31 December 2016

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.

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.

Going concern

Having reviewed the Charitable Company's financial forecasts and expected future cash flows, the Trustees have reasonable expectation that the Charitable Company has adequate resources to continue its operational existence for the foreseeable future. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31st December 2016.

On behalf of the board:



Anthony Soothill
Chair of Trustees

22nd September 2017

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Independent Auditors' Report to the members
for year ending 31 December 2016

We have audited the financial statements of DEMAND Design and Manufacture for Disability for the year ended 31 December 2016 on pages 16 to 29. The "financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 (FRS102)." "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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 10, 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 charity company's affairs as at 31 December 2016 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

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Independent Auditors' Report to the members
for year ending 31 December 2016

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, and the Strategic Report and the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report and the Report of the Trustees.

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

22 September 2017

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Statement of Financial Activities (including Income and Expenditure Account)
for year ending 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Income:					
Donations and Legacies	2	464,259	89,214	553,473	628,852
Charitable Activities	3	174,934	-	174,934	174,708
Other Trading Activities	4	4,736	-	4,736	20,763
Investments	5	2,186	-	2,186	4,111
Other	6	1,333	-	1,333	3,375
Total income		647,448	89,214	736,662	831,809
Expenditure:					
Fundraising	7	109,641	-	109,641	127,873
Charitable activities	8	636,819	135,742	772,561	710,960
Total expenditure		746,460	135,742	882,202	838,833
Net income / (expenditure) and net movement in funds for the year		(99,012)	(46,528)	(145,540)	(7,024)
Other recognised gains/(losses):					
Gains/(losses on revaluation of fixed assets)		-	292,752	292,752	-
Net Movement in funds		(99,012)	246,224	147,212	(7,024)
Reconciliation of funds:					
Total funds brought forward		473,611	409,757	883,368	890,392
Total funds carried forward		374,599	655,981	1,030,580	883,368

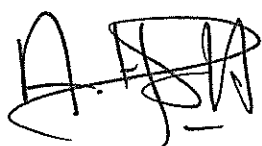
The statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Balance Sheet
at 31 December 2016

		2016 Total funds	2015 Prior year funds
	Notes	£	£
Fixed assets:			
Tangible assets	16	640,002	362,891
Investments	17	1	1
Total fixed assets		640,003	362,892
Current assets:			
Stocks		10,186	15,458
Debtors	18	36,855	35,950
Cash at bank and in hand		429,202	636,966
Total current assets		476,243	688,374
Liabilities:			
Creditors: Amounts falling due within one year	19	(85,666)	(167,898)
Net current assets		390,577	520,476
Total assets less current liabilities		1,030,580	883,368
Net assets		1,030,580	883,368
The funds of the charity:	20		
Unrestricted funds		323,550	327,851
Designated development fund		51,049	145,760
Restricted income funds		655,981	409,757
TOTAL FUNDS		1,030,580	883,368

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 22nd September 2017 and were signed on its behalf by:



Anthony Soothill
Chair of Trustees

Registered Company Number: 02671913

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Statement of Cash Flows
for year ending 31 December 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Cash used in operating activities	23	(107,992)	(103,290)	(211,282)	(100,957)
Cash flows from investing activities					
Interest income		2,185	1	2,186	4,111
Proceeds from the sale of fixed assets		1,333	-	1,333	3,375
Purchase of tangible fixed assets		(1)	-	(1)	(15,405)
Cash provided by (used in) investing activities		3,517	1	3,518	(7,919)
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		(104,475)	(103,289)	(207,764)	(108,876)
Cash and cash equivalents at the beginning of the year		468,268	168,698	636,966	745,842
Total cash and cash equivalents at the end of the year		363,973	65,409	429,202	636,966

Included in restricted cash of £65,409 is £45,000 (2015: £118,317) of deferred income, restricted to a capital building fund.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

Notes on the accounts

1. Accounting policies

Charity information

DEMAND Design and Manufacture for Disability is a private Company limited by guarantee incorporated in England and Wales. The registered office is The Old Chapel, Mallard Road, Abbots Langley, Hertfordshire, WD5 0GQ.

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.

The accounts are prepared in Sterling which is the functional currency of the Charitable Company and monetary amounts in these financial statements are rounded to the nearest £.

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).

Group financial statements have not been prepared as a subsidiary undertaking is dormant and any adjustment would be immaterial after consolidation.

Preparation of the accounts on a going concern basis

The charitable company reported a cash outflow of £207,764 for the year.

The Trustees are of the view that this is within the parameters set in the annual budget and 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 2016

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.

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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

1. Accounting policies – continued

Tangible fixed assets

In April 2016 the policy regarding freehold land and buildings changed from a cost basis to a fair value basis. Freehold land and buildings are held at fair value and depreciated over their useful life.

As a result of this change the book value of the freehold property increased from £499,633 to £630,000 and the accumulated depreciation at the beginning of the period reversed.

Other 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	2016		2015	
	Rate	Basis	Rate	Basis
Freehold land	0%	Fair value	2%	on cost
Freehold buildings	2%	Fair value	2%	on cost
Plant, equipment and tools	10–33%	on cost	10–33%	on cost
Motor vehicles	25%	on cost	25%	on cost

The effect of this change in policy for freehold land and buildings results in an estimate for depreciation in this accounting period of £4,861 instead of £9,993 and in future periods £3,150 instead of £9,993 (see note 16).

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 2016 were £22,723 (2015: £18,619) 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

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

1. Accounting policies – continued

Pensions – continued

contributions. Some members of staff were auto-enrolled into the company scheme (a qualifying scheme) at the statutory rate of 1%.

Taxation

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

Financial instruments

The Charity holds only basic financial instruments. These are initially recognised at transition value and subsequently measured at their settlement value.

Critical accounting estimates and judgements

In the application of the Charitable Company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

	2016	2015
	£	£
2. Donations and legacies		
Donations	553,473	628,852
	<u>553,473</u>	<u>628,852</u>

The income from donations was £553,473 (2015: £628,852) of which £464,259 was unrestricted (2015: £445,843) and £89,214 restricted (2015: £183,009).

	2016	2015
	£	£
3. Charitable activities		
Refurbishment of specialist children's equipment	114,834	88,183
Inclusive sports equipment	39,495	54,859
Donated specialist equipment	8,911	15,013
Service and repair of specialist equipment	6,459	9,718
DEMAND's own products	3,962	3,015
Conditional grants	-	3,000
Other	1,273	920
	<u>174,934</u>	<u>174,708</u>

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

	2016	2015
	£	£
4. Other trading activities		
Event ticket sales & related trading income	3,910	20,392
Other trade revenue	826	371
	<u>4,736</u>	<u>20,763</u>
	2016	2015
	£	£
5. Investment income		
Interest received gross	2,186	4,111
	<u>2,186</u>	<u>4,111</u>
	2016	2015
	£	£
6. Other		
Sale of assets	1,333	3,375
	<u>1,333</u>	<u>3,375</u>
	2016	2015
	£	£
7. Expenditure on raising funds		
Fundraising	108,528	112,751
Fundraising events & related trading costs	1,113	11,962
Gifts in kind – event related	–	3,160
	<u>109,641</u>	<u>127,873</u>

Expenditure on fundraising activities was £109,641 (2015: £127,873) of which £109,641 was unrestricted (2015: £127,648) and £NIL was restricted (2015: £225).

In addition to directly attributable fundraising costs, expenditure on fundraising includes a total of £83 (2015: £1,198) of allocated governance costs, of which £83 (2015: £1,198) was unrestricted, and £Nil (2015: £Nil) was restricted.

There were also £1,591 (2015: £3,407) of total allocated support costs, of which £1,591 (2015: £3,182) was unrestricted, and £NIL (2015: £225) 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 2016

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 2016
	£	£	£	£	£	£	£	£
Designing, producing & delivering products and services	385,988	11,360	75,105	29,442	37,607	2,416	33,306	575,224
Marketing	34,635	1,870	4,986	4,205	2,120	930	-	48,746
Premises	28,293	472	10,728	1,178	942	472	3,770	45,855
Depreciation Premises	4,861	-	-	-	-	-	-	4,861
Depreciation	10,781	-	-	-	-	-	-	10,781
Governance	18,805	747	4,366	1,870	1,497	747	(180)	27,852
Support costs	31,630	1,293	8,742	6,419	6,228	1,293	3,637	59,242
Total	514,993	15,742	103,927	43,114	48,394	5,858	40,533	772,561

Expenditure on charitable activities was £772,561 (2015: £710,960) of which £636,819 was unrestricted (2015: £449,124) and £135,742 was restricted (2015: £261,836). See below for the analysis of expenditure on charitable activities for the previous year (2015).

Analysis of expenditure on charitable activities for the previous year (2015)

	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	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

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

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 2016
		£	£	£
Trustee meetings	Actual Cost	-	321	321
Salaries and related costs	Allocated on time	47,768	23,262	71,030
Audit fees	Governance	-	4,084	4,084
Legal and professional	Governance	-	(639)	(639)
Insurances	Governance	-	815	815
General office	Pro rata staff full time equivalents	13,065	92	13,157
Total		60,833	27,935	88,768

	Fundraising	Charitable activities	Total 2016
	£	£	£
General Support	1,591	59,242	60,833
Governance	83	27,852	27,935
Total	1,674	87,094	88,768

Analysis of governance and support costs – previous year (2015)

	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

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

9. Analysis of governance and support costs – previous year (2015) – continued

	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

	2016	2015
	£	£
10. Net income /(expenditure) for the year		
Net resources are stated after charging:		
Bank interest payable	-	500
Auditors' remuneration	5,000	5,000
Depreciation – owned assets	15,642	18,603

11. Trustees' remuneration and benefits

There were no Trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

The cost to the charity of indemnity insurance relating to the Trustees for the year amounted to £815 (2015: £785).

Trustees' expenses

One Trustee was reimbursed for travelling expenses totalling £94 (2015: Two Trustees' £335) in the year ended 31 December 2016.

The charity also met the expense of providing room hire, and sandwiches for Trustee meetings. For the year ended 31 December 2016 these expenses totalled £227 (2015: £128).

	2016	2015
	£	£
12. Staff costs		
Salaries and wages	574,808	540,620
Social security costs	55,881	52,728
Pension costs	22,723	18,619
	653,412	611,967

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

12. Staff costs – continued

The average monthly head count was 21 staff (2015: 19 staff)

	2016	2015
Production staff	14	13
Fundraising	2	2
Management and administration	4	3
Marketing	1	1
	<u>21</u>	<u>19</u>

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

	2016	2015
£60,001 – £70,000	<u>1</u>	<u>2</u>

Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2016	2015
	£	£
Gross salaries	167,350	181,600
Company pension contributions	8,368	5,985
Aggregate compensation	<u>175,718</u>	<u>187,585</u>

13. Related party transactions

14. Government grants

During the year we received £Nil (2015: £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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

16. Tangible fixed assets

	*Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2016 £
Cost (* or valuation at fair value)				
At 1 January 2016	499,633	175,401	32,835	707,869
Additions	1	-	-	1
Disposals	-	(13,933)	-	(13,933)
Revaluation (1 April 2016)	130,366	-	-	130,366
At 31 December 2016	630,000	161,468	32,835	824,303
Depreciation				
At 1 January 2016	159,888	157,063	28,027	344,978
Charge for year	4,861	5,974	4,807	15,642
Eliminated on Disposal	-	(13,933)	-	(13,933)
Written Back on Revaluation	(162,386)	-	-	(162,386)
At 31 December 2016	2,363	149,104	32,834	184,301
Net book value				
At 31 December 2016	627,637	12,364	1	640,002
At 31 December 2015	339,745	18,338	4,808	362,891

Historical cost of the property at 31st December 2016 was £499,634 (2015: £499,633).

The property was revalued in April 2016 by professional valuers, Brasier Freeth Chartered Surveyors.

The closing net book value represents fixed assets used for:

	Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2016 £
Direct charitable purposes	564,874	12,364	1	577,239
Management and administrative purposes	62,763	-	-	62,763
	627,637	12,364	1	640,002

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

17. Fixed asset investments

	Shares in group undertakings
	2016
Market value	£
At 1 January 2016 and 31 December 2016	<u>1</u>
Net book value	
At 31 December 2016	<u>1</u>
At 31 December 2015	<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 – registered in England and Wales under number 07352263

Nature of business: Dormant

Class of share:	% holding
Ordinary	100%

18. Debtors

	2016	2015
	£	£
Trade debtors	18,967	21,579
Other debtors	4,080	3,241
Prepayments and accrued income	13,808	11,130
	<u>36,855</u>	<u>35,950</u>

19. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	11,813	10,299
Accruals and deferred income	55,001	129,370
Taxation and social security costs	17,477	26,048
Other creditors	1,375	2,181
	<u>85,666</u>	<u>167,898</u>

Deferred income of £45,000 (2015: £118,317) included in accruals and deferred income represents restricted donations received in advance.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

20. Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance	Incoming resources	Resources expended	Transfers & revaluations	Funds
	01 Jan '16				31 Dec '16
	£	£	£	£	£
General Fund	327,851	647,448	(651,749)	-	323,550
Designated Fund	145,760	-	(94,711)	-	51,049
	473,611	647,448	(746,460)	-	374,599

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.

	Balance	Incoming resources	Resources expended	Transfers & revaluations	Funds
	01 Jan '16				31 Dec '16
	£	£	£	£	£
Restricted funds					
Building fund	341,938	-	(4,861)	292,752	629,829
Plant and machinery fund	7,952	1,040	(5,259)	-	3,733
Abbots premises repairs fund	4,688	-	(676)	-	4,012
Workshop fund	46,556	78,174	(112,198)	-	12,532
Education & outreach fund	-	10,000	(10,000)	-	-
Motor vehicle Fund	8,623	-	(2,748)	-	5,875
	409,757	89,214	(135,742)	292,752	655,981
Total Funds	883,368	736,662	(882,202)	292,752	1,030,580

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.

Included in the Building Fund is a revaluation reserve and the balance at the Balance Sheet date was £292,752 (2015: £NIL).

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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

20. Analysis of charitable funds – continued

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).

Analysis of Net Assets by fund

Fund balances at 31st December 2016 are represented by:

	Unrestricted	Restricted	Total
	£	£	£
Tangible assets	10,822	629,180	640,002
Investments	1	–	1
Net current assets	363,776	26,801	390,577
Total	374,599	655,981	1,030,580

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.

	2016	2015
	£	£
Contributions payable by the company for the year	22,723	18,619

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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2016

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

	2016 Total	2015 Total
	£	£
Net movement in funds	(145,540)	(7,024)
Add back depreciation charge	15,642	18,603
Deduct interest income from investing activities	(2,186)	(4,111)
Deduct net proceeds from the sale of fixed assets	(1,333)	(3,375)
Decrease (Increase) in stock	5,272	(6,702)
Decrease (Increase) in debtors	(905)	3,904
Increase (decrease) in creditors	(82,232)	(102,252)
Net cash used in operating activities	<u>(211,282)</u>	<u>(100,957)</u>

24. Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fell due as follows:

	2016 £	2015 £
Within one year	16,950	1,375
Between two and five years	53,438	-
Total	<u>70,388</u>	<u>-</u>

25. Events since the year end

The charity closed its Yorkshire workshop between July and September 2017, with a further 3 redundancies at its headquarters in Abbots Langley. A downturn in trusts and foundations income, alongside a rapid and unexpected decline in refurbishment work for a major charity customer meant that there was insufficient income to sustain operations at both sites. The restructuring will allow the charity to further develop beneficial services and products, and strategies for deeper and broader community engagement.

