

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 2017**

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**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Contents of the Report of the Trustees and Financial Statements**  
**for the year ended 31 December 2017**

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**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Reference and administrative details**  
**for the year ending 31 December 2017**

<b>Status</b>	The organisation is a charitable company limited by guarantee and not having share capital registered as a charity on 21 <sup>st</sup> July 1980 and incorporated on 17 <sup>th</sup> December 1991.	
<b>Governing Document</b>	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.	
<b>Company Registration Number</b>	2671913	England & Wales
<b>Charity Registration Number</b>	1008128	England & Wales
<b>Registered Office and Principal Office</b>	The Old Chapel Mallard Road Abbots Langley Hertfordshire WD5 0GQ	
<b>Current Trustees</b>	Lady Hermione Grimston Robert Mankin Thomas Mercer Morag Reavley The Hon. Clare Renton William Sietz Anthony Soothill Katherine White Russell Willcox	
<b>Honorary Officer</b>	Anthony Soothill	Chair
<b>Principal Staff</b>	Gary Evans	Chief Executive
<b>Company Secretary</b>	Frances Evans	
<b>Bankers</b>	Barclays Bank PLC, 137 Ladbroke Grove, London W11 1PT	
<b>Legal Advisors</b>	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	
<b>Independent Auditors</b>	Gerald Edelman Chartered Accountants, 73 Cornhill, London EC3V 3QQ	

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Strategic Report**  
**for the year ending 31 December 2017**

**Our purposes and activities**

The objects 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, modifying, repurposing and manufacturing 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 challenges of disabled people

The vision that guides our day-to-day activities is of a world in which all people are valued and are enabled to live life their way with dignity and without discrimination.

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:

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 main areas of activity which are:

1. Custom equipment design and manufacture
2. New product design and manufacture
3. Inclusive sports equipment
4. Paediatric equipment refurbishment
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 meet the needs of people of all

## **DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**

### **Strategic Report**

### **for the year ending 31 December 2017**

ages and 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). 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 and practice of user-centred design, inclusive design and design for disability.

#### **New product design and manufacture**

On occasion, our custom equipment work will reveal a wider unmet need which would remain so if left to commercial manufacturers. Custom 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.

#### **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.

#### **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 MHRA<sup>1</sup> 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. In addition, owing to financial challenges of their own, a major charity customer that also used the refurbishment service changed their operating model to DEMAND's detriment. The total annual revenue loss amounted to over £130,000 and mid-year the trustees decided to wind down the refurbishment service and reduce staffing levels accordingly.

#### **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.

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<sup>1</sup> 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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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](http://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 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.

### **Student Support**

We have welcomed undergraduate students into our workshops, on year-long placements for many years and we are also working formally with Universities to design and mentor inclusive design and design for disability course modules, most notably with deMontfort and Nottingham Trent Universities. 13 young people benefited from these programmes during the year. The charity benefits enormously as well; working with energetic and creative people always stimulates new and different thinking within the organisation which has changed working methods and spawned several interesting products.

In addition and for the past 8 years we have provided engineering apprenticeships. The craft skills required to manufacture custom equipment are becoming increasingly rare and we have long recognised the value of developing our own talent.

### **Helpline**

In some cases enquirers' needs can be addressed with products and services already available but which may be difficult to find. Sometimes it is just a case of knowing the right question to ask whilst at other times some lateral and creative thinking is required in order to pinpoint an ideal solution. In 2017, just under 100 individuals and their families were helped in this way.

### **Achievements and Performance**

We continue to modernise the charity, to extend our reach, to increase our capabilities 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.

Early in the year a major charity customer, for reasons beyond our control, changed their operating model around pre-used paediatric equipment for which DEMAND had been their long-standing refurbishment partner. 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 needed to fund the charity in its current form. Both trusts and foundations and community fundraising have also experienced a reduction in income with a trend suggesting that we are undoubtedly experiencing a 'new normal' with regard voluntary funding.

These changes in our operating environment resulted in two far reaching strategic decisions being enacted.

The first was to down-size the charity, most notably closing its satellite facility in West Yorkshire, to enable it to become more flexible, agile and most importantly financially sustainable. The second strategic decision was to use the opportunity of the first decision to pivot the organisation and reimagine its operations in the South East to even better serve its objects going forward. See 'Plans for Future Periods' for more information.

## **DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**

### **Strategic Report**

### **for the year ending 31 December 2017**

Despite the upheaval, 2,042 people benefited from our work during the year compared with 4,438 in 2016. This was an inevitable consequence of the reduction in demand for refurbishment services and the closure of our satellite operation in West Yorkshire which was no longer sustainable. All redundancies, outstanding projects being undertaken by the Brockholes' team and the relocation of machine tools and stock were completed by the end of August. The real benefit of the changes made will not be realised until next year (2018).

Our custom equipment and helpdesk service benefited 657 people, 1,372 through products and services (e.g. service and repair, Boccia ramps etc.) and 13 young people in the course of their studies.

Total income was £634,360; 13.9% down on the previous year total of £736,662. Total expense (£772,558) for the year was 12.4% less than in 2016 (£882,202) despite redundancy costs. This resulted in an operating deficit of £138,198 which was £98,280 less than had been forecast following the loss of refurbishment service revenue and the adverse phasing in voluntary income we experienced in the first half of the year.

Our principal source of funds in 2017 was grant-making Trusts and Foundations (T&F) which, including deferred income, was 1.2% higher than the previous year. Excluding deferred income T&F income was 10% more than last year despite a slow start; our policy of maintaining a robust pipeline of grant applications was a key factor in a final quarter recovery.

Income from the Communities and Business team fell back by 23%. Uncertainty in the business community which has supported the charity well over the past few years was palpable and there were reductions in corporate social responsibility spend across many of our long-standing supporters.

The afore-mentioned decline in the charity's unique refurbishment business meant revenues were down 57% in this area. Product sales held up, and increased 11.6% on 2016 levels which was a commendable result for the team which put a huge effort into making sure we could make and ship as many Boccia ramps, floor-sitters, easels and sensory shell chairs as possible before the end of the year. Overall, self-generated Income was down 39.5% on the previous year.

#### **Plans for Future Periods**

We work with disabled people to help them 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 undertook a deep strategic review mid-year and re-imagined how we add value to our community of disabled people, their families, carers and associated health and social care professionals and the wider community and following a root and branch.

The key themes for 2018-2020 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.

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**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 will expand and develop our facilities and create an exemplarily accessible and open makerspace designed and configured to give disabled users the best possible access to the tools (digital and traditional) and support they need with which to explore their creativity and to learn new skills around making in an increasingly digital world.

**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:

- 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 accreditations are 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.

**General Data Protection Regulation**

The charity is in the process of ensuring that its data management policies, procedures and systems are wholly compliant with the incoming General Data Protection Regulations and the six key principles therein, which are;



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That personal data is

- a) processed lawfully, fairly and in a transparent manner in relation to individuals;
- b) collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purposes;
- c) adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
- d) accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay;
- e) kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals; and
- f) processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures."

On behalf of the board:



**Anthony Soothill**  
Chair of Trustees

26<sup>th</sup> April 2018

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Report of the Trustees**  
**for the year ending 31 December 2017**

The Trustees are pleased to present their Annual Report together with the financial statements of the charity for the year ending 31 December 2017 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).

### **Chair's summary**

DEMAND is a very different charity to that which created a new paradigm in research and development of disability equipment in 1980 and, indeed, even in comparison to the organisation just a few years ago. There is undoubtedly greater uncertainty around, greater demands on charity resources and a higher degree of unpredictability in income generation; at least for niche charities like ours which work at the very edges of health and social care. Whilst never dependent on Government, NHS or Local Authority grants and service contracts, the knock on effects of policy changes have, over the past 5 years, dealt the charity several blows which were countered during the year by cutting staff and closing our satellite operation in Brockholes.

In making the changes we have become more agile, more focused and more determined than ever to continue to add a high degree of value to our beneficiaries. We have to be realistic in the short term about the volume of projects we can take on as well as the volume of products we can manufacture to generate income. The business of custom, user-centred product design is expensive on time and in the level of skill required.

The general principles of our 2015 plan still hold true; we must now leverage the talent, knowledge and skill we have to address the needs of our beneficiaries at a higher level than the purely 'mechanical'. It is with this in mind that we have set in motion a plan to develop a wonderfully inclusive and open community makerspace. One which will allow people of all abilities to explore their creativity, to learn about and harness the power of digital fabrication, to develop artisanal and general maker skills and to be active participants in a community which will, through making and creating, break down barriers, help people edit and in some cases rewrite their personal narratives in a powerfully positive way.

2017 was another very busy year for the charity. We have successfully weathered a particularly violent storm and to quote Friedrich Nietzsche, "That which does not kill us, makes us stronger", I am delighted to report that we are in good shape to move the charity forward.

The demand for custom designed products shows no sign of abating and we will continue to offer this great service just as we will continue to help the next generation of designers to think differently about their designs when they come to us on placement. Our investment in computer controlled manufacturing equipment will allow us to produce more, quicker and cracked-it.org continues to develop and will be an important tool in sharing the innovative output of the makerspace globally.

Whether you consider the child with autism now able to self-regulate in a classroom thanks to our Sensory Shell Chair, or disabled artists being able to improve their painting because they have access to a Frieasel Articulating Easel, or the new parent, a wheelchair user, able to comfortably change their baby's nappy using a hi-lo baby change table, or a simple signposting to a vital but obscure piece of equipment, DEMAND provides people the means to change their lives, sometimes in small seemingly mundane ways, often profoundly.

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**for the year ending 31 December 2017**

Our achievements, and the realisation of our future plans, 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 support us and 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.

In 2017 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 2018**

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

- a) To provide products and services which enhance a disabled person's ability to be more independent, to actively participate in and contribute to their community and to access opportunities for learning, work, creativity and social engagement.
- 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.

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**for the year ending 31 December 2017**

- 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.

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 31<sup>st</sup> December 2017 were £247,075 of which £50,459 remains designated to support the charity's 5-year development plan. The general fund therefore stands at £196,616, which is equivalent to approximately 3 months' expenditure at 2017 levels (5 months' at 2018 budgeted expenditure).

Restricted reserves at 31<sup>st</sup> December 2017 were £750,820 of which £745,518 was restricted to fixed assets held by the charity and an additional £4,389 available for projects tightly restricted by geography, age or disability or a combination of these, and £913 restricted to education

**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 2017 was 9 (2016: 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 Chief Finance Officer.

**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

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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:

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

### **Board Sub-committees**

In exceptional circumstances there is a Finance Sub-Committee (FSC) – consisting of up to 4, but no fewer than 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. No trustees were appointed during the year.

### **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**

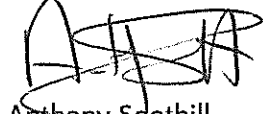
In so far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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**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 31<sup>st</sup> December 2017.

On behalf of the board:

A handwritten signature in black ink, appearing to read 'Anthony Soothill', written over a horizontal line.

**Anthony Soothill**  
Chair of Trustees

26<sup>th</sup> April 2018

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Independent auditors' report to the members of DEMAND Design and Manufacture for Disability**  
**for the year ending 31 December 2017**

**Opinion**

We have audited the financial statements of DEMAND Design and Manufacture for Disability for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Independent auditors' report to the members of DEMAND Design and Manufacture for Disability**  
**for the year ending 31 December 2017**

conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Independent auditors' report to the members of DEMAND Design and Manufacture for Disability**  
**for the year ending 31 December 2017**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Engin Zekia FCA (Senior Statutory Auditor)  
for and on behalf of Gerald Edelman

26/4/18

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Chartered Accountants  
Statutory Auditor

73 Cornhill  
London  
EC3V 3QQ

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Statement of Financial Activities (including Income and Expenditure Account)**  
**for year ending 31 December 2017**

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>Income:</b>					
Donations and Legacies	2	492,990	8,516	501,506	553,473
Charitable Activities	3	105,888	-	105,888	174,934
Other Trading Activities	4	17,057	-	17,057	4,736
Investments	5	2,924	-	2,924	2,186
Other	6	6,985	-	6,985	1,333
<b>Total income</b>		<b>625,844</b>	<b>8,516</b>	<b>634,360</b>	<b>736,662</b>
<b>Expenditure:</b>					
Fundraising	7	114,778	-	114,778	109,641
Charitable activities	8	638,590	19,190	657,780	772,561
<b>Total expenditure</b>		<b>753,368</b>	<b>19,190</b>	<b>772,558</b>	<b>882,202</b>
<b>Net income / (expenditure) and net movement in funds for the year</b>		<b>(127,524)</b>	<b>(10,674)</b>	<b>(138,198)</b>	<b>(145,540)</b>
<b>Other recognised gains/(losses):</b>					
Gains/(losses) on revaluation of fixed assets		-	105,513	105,513	292,752
<b>Net Movement in funds</b>		<b>(127,524)</b>	<b>94,839</b>	<b>(32,685)</b>	<b>147,212</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		374,599	655,981	1,030,580	883,368
<b>Total funds carried forward</b>		<b>247,075</b>	<b>750,820</b>	<b>997,895</b>	<b>1,030,580</b>

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 2017**

		2017 Total funds	2016 Prior year funds
	Notes	£	£
<b>Fixed assets:</b>			
Tangible assets	16	742,368	640,002
Investments	17	1	1
<b>Total fixed assets</b>		<b>742,369</b>	<b>640,003</b>
<b>Current assets:</b>			
Stocks		7,703	10,186
Debtors	18	12,836	36,855
Cash at bank and in hand		306,860	429,202
<b>Total current assets</b>		<b>327,399</b>	<b>476,243</b>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	19	(71,873)	(85,666)
Net current assets		255,526	390,577
<b>Total assets less current liabilities</b>		<b>997,895</b>	<b>1,030,580</b>
<b>Net assets</b>		<b>997,895</b>	<b>1,030,580</b>
<b>The funds of the charity:</b>	20		
Unrestricted funds		196,616	323,550
Designated development fund		50,459	51,049
Restricted income funds		750,820	655,981
<b>TOTAL FUNDS</b>		<b>997,895</b>	<b>1,030,580</b>

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) - (Charities SORP (FRS 102))

The financial statements were approved by the Board of Trustees on 26<sup>th</sup> April 2018 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 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Cash used in operating activities	23	(89,044)	(38,591)	(127,635)	(211,282)
<b>Cash flows from investing activities</b>					
Interest income		2,924	-	2,924	2,186
Proceeds from the sale of fixed assets		6,985	-	6,985	1,333
Purchase of tangible fixed assets		-	(4,616)	(4,616)	(1)
<b>Cash provided by (used in) investing activities</b>		9,909	(4,616)	5,293	3,518
<b>Cash flows from financing activities</b>					
Loans raised		-	-	-	-
Repayment of borrowings		-	-	-	-
<b>Cash flows from financing activities</b>		-	-	-	-
Increase (decrease) in cash and cash equivalents in the year		(79,135)	(43,207)	(122,342)	(207,764)
Cash and cash equivalents at the beginning of the year		363,793	65,409	429,202	636,966
<b>Total cash and cash equivalents at the end of the year</b>		284,658	22,202	306,860	429,202

Included in restricted cash of £22,202 cash is £4,485 (2016: £45,000) of deferred income, restricted to a capital fund.

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Notes to the Financial Statements**  
**for year ending 31 December 2017**

**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) – (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 £122,342 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 2017**

**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 2017**

**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. At 31<sup>st</sup> December 2018, the property was revalued at £730,000.

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	2017		2016	
	Rate	Basis	Rate	Basis
Freehold land	0%	Fair value	0%	Fair value
Freehold buildings	1%	Fair value	2%	Fair value
Plant, equipment and tools	10–33%	on cost	10–33%	on cost
Motor vehicles	25%	on cost	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 2017 were £19,580 (2016: £22,723) 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 2017**

**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.

	2017	2016
	£	£
<b>2. Donations and legacies</b>		
Donations	501,506	553,473
	<u>501,506</u>	<u>553,473</u>

The income from donations was £501,506 (2016: £553,473) of which £492,990 was unrestricted (2016: £464,259) and £8,516 restricted (2016: £89,214).

	2017	2016
	£	£
<b>3. Charitable activities</b>		
Refurbishment of specialist children's equipment	29,837	114,834
Inclusive sports equipment	38,346	39,495
Donated specialist equipment	19,339	8,911
Service and repair of specialist equipment	6,748	6,459
DEMAND's own products	11,568	3,962
Conditional grants	50	-
Other	-	1,273
	<u>105,888</u>	<u>174,934</u>



**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Notes to the Financial Statements**  
**for year ending 31 December 2017**

	2017	2016
	£	£
<b>4. Other trading activities</b>		
Event ticket sales & related trading income	16,383	3,910
Other trade revenue	674	826
	<u>17,057</u>	<u>4,736</u>
	2017	2016
	£	£
<b>5. Investment income</b>		
Interest received gross	2,924	2,186
	<u>2,924</u>	<u>2,186</u>
	2017	2016
	£	£
<b>6. Other</b>		
Sale of assets	6,985	1,333
	<u>6,985</u>	<u>1,333</u>
	2016	2015
	£	£
<b>7. Expenditure on raising funds</b>		
Fundraising	107,439	108,528
Fundraising events & related trading costs	7,339	11,962
	<u>114,778</u>	<u>109,641</u>

Expenditure on fundraising activities was £114,778 (2016: £109,641) of which £114,778 was unrestricted (2016: £109,641) and £NIL was restricted (2016: £NIL).

In addition to directly attributable fundraising costs, expenditure on fundraising includes a total of £192 (2016: £83) of allocated governance costs, of which £192 (2016: £83) was unrestricted, and £Nil (2016: £Nil) was restricted.

There were also £1,030 (2016: £1,591) of total allocated support costs, of which £1,030 (2016: £1,591) was unrestricted, and £NIL (2016: £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 2017**

**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 2017
	£	£	£	£	£	£	£	£
Designing, producing & delivering products and services	348,193	11,901	40,776	25,491	9,361	3,131	19,925	458,778
Marketing	38,237	1,865	4,693	4,202	4,290	942	-	54,229
Premises	49,899	528	10,275	1,321	528	528	2,112	65,191
Depreciation Premises	3,150	-	-	-	-	-	-	3,150
Depreciation	4,613	-	-	-	-	-	-	4,613
Governance	22,610	1,018	4,742	2,547	1,018	1,018	195	33,148
Support costs	23,528	965	4,293	3,916	3,112	965	1,892	38,671
<b>Total</b>	<b>490,230</b>	<b>16,277</b>	<b>64,779</b>	<b>37,477</b>	<b>18,309</b>	<b>6,584</b>	<b>24,124</b>	<b>657,780</b>

Expenditure on charitable activities was £657,780 (2016: £772,561) of which £638,590 was unrestricted (2016: £636,819) and £19,190 was restricted (2016: £135,742). See below for the analysis of expenditure on charitable activities for the previous year (2016).

**Analysis of expenditure on charitable activities for the previous year (2016)**

	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
<b>Total</b>	<b>514,993</b>	<b>15,742</b>	<b>103,927</b>	<b>43,114</b>	<b>48,394</b>	<b>5,858</b>	<b>40,533</b>	<b>772,561</b>

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Notes to the Financial Statements**  
**for year ending 31 December 2017**

**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 2017
		£	£	£
Trustee meetings	Actual Cost	-	295	295
Salaries and related costs	Allocated on time	24,747	25,900	50,647
Audit fees	Governance	-	5,750	5,750
Legal and professional	Governance	-	74	74
Insurances	Governance	-	1,136	1,136
General office	Pro rata staff full time equivalents	14,954	185	15,139
<b>Total</b>		<b>39,701</b>	<b>33,340</b>	<b>73,041</b>

	Fundraising	Charitable activities	Total 2017
	£	£	£
General Support	1,030	38,671	39,701
Governance	192	33,148	33,340
<b>Total</b>	<b>1,222</b>	<b>71,819</b>	<b>73,041</b>

**Analysis of governance and support costs – previous year (2016)**

	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
<b>Total</b>		<b>60,833</b>	<b>27,935</b>	<b>88,768</b>

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Notes to the Financial Statements**  
**for year ending 31 December 2017**

**9. Analysis of governance and support costs – previous year (2016) – continued**

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

	2017	2016
	£	£
<b>10. Net income /(expenditure) for the year</b>		
Net resources are stated after charging:		
Bank interest payable	-	-
Auditors' remuneration	5,750	5,000
Depreciation – owned assets	7,763	15,642

**11. Trustees' remuneration and benefits**

There were no Trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

The cost to the charity of indemnity insurance relating to the Trustees for the year amounted to £842 (2016: £815).

**Trustees' expenses**

One Trustee was reimbursed for travelling expenses totalling £103 (2016: One Trustee £94) in the year ended 31 December 2017.

The charity also met the expense of providing room hire, and sandwiches for Trustee meetings. For the year ended 31 December 2017 these expenses totalled £192 (2016: £227).

	2017	2016
	£	£
<b>12. Staff costs</b>		
Salaries and wages	511,710	574,808
Social security costs	43,474	55,881
Pension costs	19,580	22,723
	<b>574,764</b>	<b>653,412</b>

**DEMAND DESIGN AND MANUFACTURE FOR DISABILITY**  
**Notes to the Financial Statements**  
**for year ending 31 December 2017**

**12. Staff costs - continued**

The average monthly head count was 15 staff (2016: 21 staff)

	2017	2016
Production staff	10	14
Fundraising	2	2
Management and administration	2	4
Marketing	1	1
	<u>15</u>	<u>21</u>

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

	2017	2016
£60,001 – £70,000	<u>1</u>	<u>1</u>

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows:

	2017	2016
	£	£
Gross salaries (including redundancy payments)	162,421	167,350
Company pension contributions	6,993	8,368
<b>Aggregate compensation</b>	<u><b>169,414</b></u>	<u><b>175,718</b></u>

**13. Related party transactions**

Included in Education and Outreach activities is an amount of £2,179 for 'Cracked-It' on-going development and support, and CiviCRM development and support, paid to appMotivate, a web and web applications company owned by Peter Evans, the brother of the Chief Executive Gary Evans. (2016: £4,291).

**14. Government grants**

During the year we received £Nil (2016: £NIL) 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.

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**16. Tangible fixed assets**

	*Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2017 £
<b>Cost (* or valuation at fair value)</b>				
At 1 January 2017	630,000	161,468	32,835	<b>824,303</b>
Additions	-	4,616	-	<b>4,616</b>
Disposals	-	(41,192)	(3,022)	<b>(44,214)</b>
Revaluation	100,000	-	-	<b>100,000</b>
At 31 December 2017	<b>730,000</b>	<b>124,892</b>	<b>29,813</b>	<b>884,705</b>
<b>Depreciation</b>				
At 1 January 2017	2,363	149,104	32,834	<b>184,301</b>
Charge for year	3,150	4,613	-	<b>7,763</b>
Eliminated on Disposal	-	(41,192)	(3,022)	<b>(44,214)</b>
Written Back on Revaluation	(5,513)	-	-	<b>(5,513)</b>
At 31 December 2017	<b>-</b>	<b>112,525</b>	<b>29,812</b>	<b>142,337</b>
<b>Net book value</b>				
At 31 December 2017	<b>730,000</b>	<b>12,367</b>	<b>1</b>	<b>742,368</b>
At 31 December 2016	<b>627,637</b>	<b>12,364</b>	<b>1</b>	<b>640,002</b>

Historical cost of the property at 31<sup>st</sup> December 2017 was £499,633 (2016: £499,633).

The property was revalued in December 2017 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 2017 £
Direct charitable purposes	657,000	12,367	1	<b>669,368</b>
Management and administrative purposes	73,000	-	-	<b>73,000</b>
	<b>730,000</b>	<b>12,367</b>	<b>1</b>	<b>742,368</b>

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**17. Fixed asset investments**

	Shares in group undertakings
	2017
<b>Market value</b>	£
At 1 January 2017 and 31 December 2017	1
<b>Net book value</b>	
At 31 December 2017	1
At 31 December 2016	1

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**

	2017	2016
	£	£
Trade debtors	3,356	18,967
Other debtors	1,237	4,080
Prepayments and accrued income	8,243	13,808
	<b>12,836</b>	<b>36,855</b>

**19. Creditors: amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	7,458	11,813
Accruals and deferred income	37,026	55,001
Taxation and social security costs	13,493	17,477
Other creditors	13,896	1,375
	<b>71,873</b>	<b>85,666</b>

Deferred income of £4,485 (2016: £45,000) included in accruals and deferred income represents restricted donations received in advance.

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**20. Analysis of charitable funds**

**Analysis of movements in unrestricted funds**

	Balance	Incoming resources	Resources expended	Transfers & revaluations	Funds
	01 Jan '17				31 Dec '17
	£	£	£	£	£
General Fund	323,550	625,844	(752,778)	-	196,616
Designated Fund	51,049	-	(590)	-	50,459
	<b>374,599</b>	<b>625,844</b>	<b>(753,368)</b>	<b>-</b>	<b>247,075</b>

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 '17				31 Dec '17
	£	£	£	£	£
<b>Restricted funds</b>					
Building fund	629,829	-	(5,342)	105,513	730,000
Plant and machinery fund	3,733	5,516	(2,808)	-	6,441
Abbots premises repairs fund	4,012	-	(810)	-	3,202
Workshop fund	12,532	2,000	(10,143)	-	4,389
Education & outreach fund	-	1,000	(87)	-	913
Motor vehicle Fund	5,875	-	-	-	5,875
	<b>655,981</b>	<b>8,516</b>	<b>(19,190)</b>	<b>105,513</b>	<b>750,820</b>
<b>Total Funds</b>	<b>1,030,580</b>	<b>634,360</b>	<b>(772,558)</b>	<b>105,513</b>	<b>997,895</b>

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 was 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 £398,265 (2016: £292,752).

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**  
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**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 31<sup>st</sup> December 2017 are represented by:

	Unrestricted	Restricted	Total
	£	£	£
Tangible assets	8,002	734,365	742,367
Investments	1	-	1
Net current assets	239,072	16,455	255,527
<b>Total</b>	<b>247,075</b>	<b>750,820</b>	<b>997,895</b>

**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.

	2017	2016
	£	£
Contributions payable by the company for the year	<u>19,580</u>	<u>22,723</u>

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

	2017 Total	2016 Total
	£	£
Net movement in funds	(138,198)	(145,540)
Add back depreciation charge	7,763	15,642
Deduct interest income from investing activities	(2,924)	(2,186)
Deduct net proceeds from the sale of fixed assets	(6,985)	(1,333)
Decrease (Increase) in stock	2,483	5,272
Decrease (Increase) in debtors	24,019	(905)
Increase (decrease) in creditors	(13,793)	(82,232)
Net cash used in operating activities	<u>(127,635)</u>	<u>(211,282)</u>