

**DEMAND DESIGN AND MANUFACTURE FOR
DISABILITY**

(A Company Limited By Guarantee)

**Annual Report
and
Financial Statements
for
Year Ended 31 December 2018**

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

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DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Reference and administrative details for the year ended 31 December 2018

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	<p>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.</p> <p>In 2010 a trading subsidiary (DEMAND SRM Ltd) was established and which remains dormant.</p>
Company Registration Number	2671913 (England & Wales)
Charity Registration Number	1008128 (England & Wales)
Registered Office and Principal Office	The Old Chapel, Mallard Road Abbots Langley, WD5 0GQ
Current Trustees	<p>Lady Hermione Grimston</p> <p>Robert Mankin</p> <p>Thomas Mercer</p> <p>Morag Reavley</p> <p>The Hon. Clare Renton</p> <p>William Sietz</p> <p>Anthony Soothill</p> <p>Katherine White</p> <p>Russell Willcox</p>
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	<p>Maxwell Winward LLP 100 Ludgate Hill, London EC4M 7RE</p> <p>Sherrards Solicitors LLP 4 Beaconsfield Rd, St Albans AL1 3RD</p>
Independent Auditors	Gerald Edelman Chartered Accountants 73 Cornhill, London EC3V 3QQ

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Strategic Report for the year ending 31 December 2018

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:

- a) To offer a nationally accessible custom equipment service
- b) To create and make available, facilities, systems, platforms and processes for knowledge sharing, and to facilitate knowledge sharing
- c) To continuously develop our Original Equipment Design and Manufacturing (OEDM) capabilities
- d) 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:

- a) Custom equipment design and manufacture
- b) New product design and manufacture
- c) Inclusive sports equipment
- d) Online tools
- e) Student Support
- f) User helpline
- g) Pre-owned disability equipment redistribution and sales

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Custom equipment design and manufacture

The modification of standard equipment and the design and manufacture of custom equipment is at the heart of our work. The projects we undertake meet the needs of people of all 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 artists' easel for wheelchair users). Projects vary in cost from a few hundred pounds to many thousands and may have lead times of 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

Our custom equipment work will often reveal a wider unmet need which would remain so if left to commercial manufacturers. The market for much of what the charity has productionised over the years is relatively small and often uneconomic for mainstream manufacturers to pick up and run with. 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 despite the limited market and to that end undertake small batch production to satisfy real needs in the wider community. Products currently available through the charity's online shop include Freasel (an articulated artists' easel), the Sensory Shell Chair (for young people with sensory processing disorders such as autism to help them make sense of their world by limiting environmental stimuli), Floor sitters and musical instrument stands,

Inclusive sports equipment

Initially developed to meet the needs of a custom equipment client, our popular range of Boccia Ramps already provides sporting and social 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 Nova is a full, international competition class ramp suitable for the full range of players.

Online tools

We develop and support 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 made 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 school age and undergraduate students into our workshops for many years and during 2018 we had 3 young people join us; 2 on short work experience programmes and 1 undergraduate on a year-long industrial placement. The charity benefits enormously from their energy, enthusiasm and contribution; working with energetic and creative people always stimulates new and different thinking within the organisation which has driven change in working methods and spawned several interesting products.

We also provide practical advice to students working on their own design for disability projects where the valuable and rare insights of our skilled team are much sought after.

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In addition, and for the past 10 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 2018, over 100 individuals and their families were helped in this way.

Disability equipment re-use

A useful income stream for the charity, the salvaging and resale of pre-owned disability equipment provides many users with highly affordable and safe equipment which they might otherwise not be able to access. Whilst we have been short on resource our priorities have been OEM products and custom equipment where the need is greater. Sales have therefore been significantly lower this year compared to last.

Performance and achievements

2018 has been very challenging on many fronts, not least in our ability to complete as many projects as we would have liked. We have invested a great deal of time and effort in recruiting values-driven people with the creative skills essential to our work but finding broadly skilled artisan designers has proved to be very difficult. Matters have been made worse by the long-term absence and sad passing of our most experienced colleague which stripped the charity of rare skill and experience. At the close of 2018 the vacancies remained unfilled but at the time of writing (March 2019) we have successfully filled those vacant seats and we are excited about the opportunities this brings.

We have worked hard to focus on our core strengths and by updating the designs of several products we are now able to outsource the production of nearly 80% of the components and sub-assemblies our products use. This has the double benefit of freeing up our creative team to work on 'the hard stuff' whilst at the same time ensuring that we have plenty of products to satisfy our retail customers who help support the charity's work through their purchases.

We continue to improve key processes and workflows which enable us to keep moving forward despite the shortage of skilled staff. Our output was inevitably scaled back and we had to implement stricter criteria to requests for help so that we applied what resources we had to the most urgent and impactful projects and to finding alternative solutions for people (e.g. through signposting enquirers to other charities or to good, commercially available products and services). In all, over 700 people benefited from our services in the year and we continue to be delighted to receive positive feedback like this;

**"@DEMANDCharity my child used your sensory
shell chair at the Harry Potter studio tour today & it
literally saved our day! "**

Our custom equipment and help desk service benefited 300 people, 420 people through products and services (e.g. service and repair, Boccia ramps etc.) and 3 young aspiring designers in the course of their studies.

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This is a herculean result from a young and largely inexperienced team which bodes well for the future and for our diverse beneficiaries.

We acknowledge that our beneficiary numbers are lower than historically reported and also accept this as an inevitable consequence of the changes we have driven through in order to refocus our attention onto developing more custom projects into products and services which, whilst starting out to address the needs of the one or the few, will end up helping scores more. In the short term, however, the changes have had a negative effect on our community fundraising. With fewer projects available for our supporters to get behind and the continued lack of desire in many quarters to provide core funding, voluntary income from individuals, business and community organisations fell by 43%. A brighter note was hit by Trusts and Foundations (T&F) who supported us 9% more than the previous year and of the total T&F income, 14.5% was new to the charity.

Key performance indicators

Self-generated income from the sales of Boccia ramps, options and accessories and other DEMAND products was £47,287 which was 24% down year on year but 35% ahead of budget which was testimony to the team's hard work and commitment to meeting customer demand for our specialist products. The sales of donated equipment took a very low priority during the year and was a fraction of what it has been historically. In 2019 we will work with other charities to distribute the surplus stock we have within the UK and overseas. Our equipment donations to PhysioNet (a UK based charity with strong connections with National Disabled Persons Associations, Rotary and Lions Clubs etc. in many parts of the world), for example, have benefited people of all ages in Bulgaria, Syria, Tanzania, Sri Lanka, Romania and Moldova to name but a few.

Total income was £514,664; 19% down on the previous year total of £634,360. Expenditure for the year totalled £440,538 which was 43 % less than in 2017 (£772,558). This represents a surplus of £74,126 against a budget deficit of £30,400 and largely attributable to a reduced wages bill, better than expected T&F income and the flow through of lower costs following the hard but correct decision made to 'right size' the organisation to ensure that the charity remains sustainable despite the operational challenges generated as a result.

Forward cover, calculated on the average monthly forecast spend for 2019 against free reserves stands at 7.5 months at the year end.

Future plans

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 in ways 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 in 2017 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.

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The review determined the following themes for 2018 – 2020, which remain unchanged.

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 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 a 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 self-generated income is a priority for the charity and to that end we are developing new products as well as continuing to develop our accessible makerspace

At the same time, 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 and processes 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

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due, and the proactive management of trade debtors and creditors balances to ensure sufficient working capital. In the short to medium term, the uncertainties of the UK's exit from the EU potentially compounds the risk. Prudence and tight cash control are deemed sufficient

Attention is continuously 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 and multiple risk assessments, pre-delivery testing and follow-ups.

Data protection

The charity ensures that its data management policies, procedures and systems are wholly compliant with the General Data Protection Regulations and the six key principles therein, which are;

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

28th May 2019

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Report of the Trustees for the year ending 31 December 2018

The Trustees are pleased to present their Annual Report together with the financial statements of the charity for the year ending 31 December 2018 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

2018 proved to be a both challenging and highly rewarding year. The challenge has been to meet unprecedented demand for custom equipment with a largely inexperienced team and reduced revenue. The reward is witnessing the team rise to that challenge with energy and good humour and in so doing playing an active and positive role in helping over 700 people be more independent and to be in greater control of their personal lived experience.

It is not surprising that with a team less than half the size it was for much of last year that the number of people we have been able to work with has fallen and we see this as an unwelcome yet inevitable side effect of the process of change that we initiated in 2017 to right-size the charity in the short term whilst we develop a suite of new services and offerings.

That said, the business of custom, user-centred product design is expensive, in terms of both time and in the level of skill required. Maintaining safe and capable full-time workshops to facilitate the design and manufacture of one-off pieces of equipment and small production runs of saleable products, carries a significant and unavoidable overhead. The products we make are not viable for mainstream manufacturers to invest time in but make a huge difference to the people who benefit from them. Machines cannot operate in an empty field nor do they work by force of will alone. The lights have to be kept on, the machines powered and fed with increasingly expensive raw materials and the designers and engineers kept safe. We are so grateful to our supporters, institutional and individual, who understand this and help us enormously by providing unrestricted funds which allow the charity to run every day and to invest in the essential infrastructure of manufacturing specialist equipment.

The general principles of the 5-year plan published in 2015 still hold true but like all plans it has evolved and changed significantly both in strategy and tactics. We take some heart from Dwight D Eisenhower who is oft quoted as saying "In preparing for battle I have always found that plans are useless, but planning is indispensable." Our continuing challenge is understanding how to leverage the talent, knowledge and skill we have to address the needs of our beneficiaries at a higher level than the purely 'mechanical'.

We believe that 'making' in its widest sense can play an enormously positive in breaking down barriers, helping people edit and in some cases completely rewrite their personal narratives in a powerfully positive way.

We are searching for bigger, more flexible premises which will accommodate both DEMAND the charity and our planned makerspace whose purpose will be to give people of every ability the resources, space and support to explore their creativity, develop ideas, nurture business opportunities and to learn and share valuable skills within a vibrant, supportive, creative and inclusive community. From our work designing and making custom disability equipment we

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Report of the Trustees for the year ending 31 December 2018

understand the massive difference improved independence makes to people's well-being and we see our makerspace as a powerful tool with which to help address some of society's wider challenges which stem from the increasing prevalence of loneliness and social isolation,

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 year-long industrial placement. Our investment in computer-controlled manufacturing equipment (CNC) has enabled us to produce more complex and attractive products, cracked-it.org continues to develop and will be an important tool in sharing the innovative output of the makerspace globally.

DEMAND provides people the means to change their lives, sometimes in small, seemingly mundane, ways, but more often, profoundly.

Our achievements, and the realisation of our future plans, are only possible with the continued backing of the many Trust and Foundations, businesses (both local and global), community groups and the individuals up and down the country who support us financially, materially and in kind.

On behalf of the Trustees, I would like to thank the team, our clients, our donors and supporters who make it possible for more disabled people to live life their way. 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 address unmet needs.

In 2018 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 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 provision of work experience opportunities for year 12 and 13 students
- The sharing of designs under open license to assist others in their endeavours to help disabled people

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Report of the Trustees for the year ending 31 December 2018

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 in the context of public benefit are reviewed by the Trustees regularly and periodically.

Looking forward - Objectives for 2019

In line with the charity's vision and mission, our major objectives are:

- a. To provide products and services which enhance disabled people'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 improve the charity's resilience and capabilities, technically, financially and culturally.
- 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 add value to our operation and which support innovation throughout.

Reserves policy

The reserves policy is to maintain forward cover of between 3 and 9 months. This policy was re-affirmed at the December 2018 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 we 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 2018 were £322,999 of which £45,032 remains designated to support the charity's development. The general fund therefore stands at £277,967, which is equivalent to approximately 7.5 months' expenditure at 2019 levels (budgeted).

Restricted reserves at 31st December 2018 were £749,022 of which £738,922 was restricted to fixed assets held by the charity and an additional £9,187 available for projects tightly restricted by geography, age or disability or a combination of these, and £913 restricted to education.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Report of the Trustees for the year ending 31 December 2018

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 2018 was 9 (2017: 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 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)	Thomas Mercer	William Sietz
Lady Hermione Grimston	Morag Reavley	Katherine White
Robert Mankin	The Hon. Clare Renton	Russell Willcox

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.

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Report of the Trustees for the year ending 31 December 2018

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 2018.

On behalf of the board:



Anthony Soothill
Chair of Trustees
28th May 2019

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Independent auditors' report to the members of DEMAND Design and Manufacture for Disability
for the year ending 31 December 2018

Opinion

We have audited the financial statements of DEMAND Design and Manufacture for Disability for the year ended 31 December 2018 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 2018 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

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Independent auditors' report to the members of DEMAND Design and Manufacture for Disability
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other information. If, based on the work we have performed, we 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.

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.

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 2018

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

31/5/19

Engin Zekia FCA (Senior Statutory Auditor)

for and on behalf of Gerald Edelman

Chartered Accountants and 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 2018

		Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	Notes	£	£	£	£
Income:					
Donations and Legacies	2	451,339	10,255	461,594	501,506
Charitable Activities	3	47,287	-	47,287	105,888
Other Trading Activities	4	4,525	-	4,525	17,057
Investments	5	1,258	-	1,258	2,924
Other	6	-	-	-	6,985
Total income		504,409	10,255	514,664	634,360
Expenditure:					
Fundraising	7	108,278	-	108,278	114,778
Charitable activities	8	320,207	12,053	332,260	657,780
Total expenditure		428,485	12,053	440,538	772,558
Net income / (expenditure) and net movement in funds for the year		75,924	(1,798)	74,126	(138,198)
Other recognised gains/(losses):					
Gains/(losses) on revaluation of fixed assets		-	-	-	105,513
Net Movement in funds		75,924	(1,798)	74,126	(32,685)
Reconciliation of funds:					
Total funds brought forward		247,075	750,820	997,895	1,030,580
Total funds carried forward		322,999	749,022	1,072,021	997,895

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


The notes on pages 19 to 33 form part of the financial statements

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Balance Sheet
for year ending 31 December 2018

	Notes	2018 Total funds £	2017 Prior year funds £
Fixed assets:			
Tangible assets	16	738,328	742,368
Investments	17	1	1
Total fixed assets		738,329	742,369
Current assets:			
Stocks		5,666	7,703
Debtors	18	16,597	12,836
Cash at bank and in hand		353,417	306,860
Total current assets		375,680	327,399
Liabilities:			
Creditors: Amounts falling due within one year	19	(41,988)	(71,873)
Net current assets		333,692	255,526
Total assets less current liabilities		1,072,021	997,895
Net assets		1,072,021	997,895
The funds of the charity:	20		
Unrestricted funds		277,967	196,616
Designated development fund		45,032	50,459
Restricted income funds		749,022	750,820
TOTAL FUNDS		1,072,021	997,895

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 7th May 2019 and were signed on its behalf by:



Anthony Soothill

Chair of Trustees

28th May 2019

Registered Company Number: 02671913

The notes on pages 19 to 33 form part of the financial statements

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Statement of Cash Flows
for year ending 31 December 2018

	Notes	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Cash used in operating activities	23	56,622	(10,068)	46,554	(127,635)
Interest income		1,258	-	1,258	2,924
Proceeds from the sale of fixed assets		-	-	-	6,985
Purchase of tangible fixed assets		-	(1,255)	(1,255)	(4,616)
Cash provided by (used in) investing activities		1,258	(1,255)	3	5,293
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		57,880	(11,323)	46,557	(122,342)
Cash and cash equivalents at the beginning of the year		284,658	22,202	306,860	429,202
Total cash and cash equivalents at the end of the year		342,538	10,879	353,417	306,860

Included in restricted cash of £10,879 is £3,230 (2017: £4,485) of deferred income, restricted to a capital fund.

The notes on pages 19 to 33 form part of the financial statements

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2018

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 the 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 inflow of £46,557 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.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2018

1. Accounting policies – continued

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 charity 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.

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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2018

1. Accounting policies – continued

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.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land	No depreciation
Buildings	2% on fair value
Plant, equipment and tools	10-33% on cost
Motor vehicles	25% on cost

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses within the SOFA and accumulated in reserves.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises cost of goods that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the SOFA. Reversals of impairment losses are also recognised in the SOFA.

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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Notes to the Financial Statements for year ending 31 December 2018

1. Accounting policies – continued

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 pension schemes in 2018 were £13,263 (2017: £19,580) with an employer's contribution rate of 5% of pensionable pay and an employee's contribution of 5% of pensionable pay. The charity acts as agent in collecting and paying over employee pension contributions. Some members of staff were auto-enrolled into the company scheme (a qualifying scheme) at the statutory rate of at least 2%.

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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2018

	2018	2017
	£	£
2. Donations and legacies		
Donations	461,594	501,506
	<u>461,594</u>	<u>501,506</u>

The income from donations was £461,594 (2017: £501,506) of which £451,339 was unrestricted (2017: £492,990) and £10,255 restricted (2017: £8,516).

	2018	2017
	£	£
3. Charitable activities		
Refurbishment of specialist children's equipment	-	29,837
Inclusive sports equipment	36,006	38,346
Donated specialist equipment	1,427	19,339
Service and repair of specialist equipment	-	6,748
DEMAND's own products	9,854	11,568
Conditional grants	-	50
	<u>47,287</u>	<u>105,888</u>

	2018	2017
	£	£
4. Other trading activities		
Event ticket sales & related trading income	3,933	16,383
Other trade revenue	592	674
	<u>4,525</u>	<u>17,057</u>

	2018	2017
	£	£
5. Investment income		
Interest received gross	1,258	2,924
	<u>1,258</u>	<u>2,924</u>

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2018

	2018	2017
	£	£
6. Other		
Sale of assets	-	6,985
	<u>-</u>	<u>6,985</u>

	2018	2017
	£	£
7. Expenditure on raising funds		
Fundraising	106,749	107,439
Fundraising events & related trading costs	1,529	7,339
	<u>108,278</u>	<u>114,778</u>

Expenditure on fundraising activities was £108,278 (2017: £114,778) of which £108,278 was unrestricted (2017: £114,778) and £NIL was restricted (2017: £NIL).

In addition to directly attributable fundraising costs, expenditure on fundraising includes a total of £100 (2017: £192) of allocated governance costs, of which £100 (2017: £192) was unrestricted, and £Nil (2017: £Nil) was restricted.

There were also £1,068 (2017: £1,030) of total allocated support costs, of which £1,068 (2017: £1,030) was unrestricted, and £NIL (2017: £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 2018

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 2018
	£	£	£	£	£	£	£	£
Designing, producing & delivering products and services	149,401	11,536	1,856	31,258	4,251	7,429	10,255	215,986
Marketing	15,897	996	98	4,581	387	144	-	22,103
Premises	11,567	1,176	66	2,940	1,176	2,351	2,352	21,628
Depreciation Premises	650	-	-	-	-	-	-	650
Depreciation	4,645	-	-	-	-	-	-	4,645
Governance	17,664	1,696	-	4,440	1,697	3,396	590	29,483
Support costs	20,843	1,335	-	8,115	3,506	2,236	1,730	37,765
Total	220,667	16,739	2,020	51,334	11,017	15,556	14,927	332,260

Expenditure on charitable activities was £332,260 (2017: £657,780) of which £320,207 was unrestricted (2017: £638,590) and £12,053 was restricted (2017: £19,190). See below for the analysis of expenditure on charitable activities for the previous year (2017).

Analysis of expenditure on charitable activities for the previous year (2017)

	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
Total	490,230	16,277	64,779	37,477	18,309	6,584	24,124	657,780

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Notes to the Financial Statements

for year ending 31 December 2018

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 2018
		£	£	£
Trustee meetings	Actual Cost	-	215	215
Salaries and related costs	Allocated on time	23,693	20,000	43,693
Audit fees	Governance	-	6,500	6,500
Legal and professional	Governance	-	1,811	1,811
Insurances	Governance	-	1022	1022
General office	Pro rata staff full time equivalents	15,140	35	15,175
Total		38,833	29,583	68,416

	Fundraising	Charitable activities	Total 2018
	£	£	£
General Support	1,068	37,765	38,833
Governance	100	29,483	29,583
Total	1,168	67,248	68,416

Analysis of governance and support costs – previous year (2017)

	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
Total		39,701	33,340	73,041

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2018

9. Analysis of governance and support costs – previous year (2017) – continued

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

	2018	2017
	£	£
10. Net income /(expenditure) for the year		
Net resources are stated after charging:		
Auditors' remuneration	6,500	5,750
Depreciation – owned assets	5,295	7,763

11. Trustees' remuneration and benefits

There were no Trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

The cost to the charity of indemnity insurance relating to the Trustees for the year amounted to £849 (2017: £842).

Trustees' expenses

One Trustee was reimbursed for travelling expenses totalling £60 (2017: One Trustee £103) in the year ended 31 December 2018.

The charity also met the expense of providing room hire, and sandwiches for Trustee meetings. For the year ended 31 December 2018 these expenses totalled £137 (2017: £192).

	2018	2017
	£	£
12. Staff costs		
Salaries and wages	293,983	511,710
Social security costs	27,315	43,474
Pension costs	13,263	19,580
	334,561	574,764

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2018

12. Staff costs - continued

The average monthly head count was 9 staff (2017: 15 staff)

	2018	2017
Production staff	5	10
Fundraising	2	2
Management and administration	2	2
Marketing	-	1
	9	15

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

	2018	2017
£60,001 – £70,000	-	1

Remuneration of key management personnel

The remuneration of key management personnel is as follows;

	2018	2017
	£	£
Gross salaries (2017 – including redundancy payments)	99,064	162,421
Company pension contributions	4,453	6,993
Aggregate compensation	103,517	169,414

13. Related party transactions

Included in Education and Outreach activities is an amount of £702 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, (2017: £2,179).

14. Government grants

During the year we received £Nil (2017: £NIL) in grants towards the employment costs of our apprentice(s).

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 2018

16. Tangible fixed assets

	*Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2018 £
Cost (* or valuation at fair value)				
At 1 January 2018	730,000	124,892	29,813	884,705
Additions	-	1,255	-	1,255
Disposals written back	-	8,749	-	8,749
Revaluation	-	-	-	-
At 31 December 2018	730,000	134,896	29,813	894,709
Depreciation				
At 1 January 2018	-	112,525	29,812	142,337
Charge for year	650	4,645	-	5,295
Eliminated on Disposal written back	-	8,749	-	8,749
Written Back on Revaluation	-	-	-	-
At 31 December 2018	650	125,919	29,812	156,381
Net book value				
At 31 December 2018	729,350	8,977	1	738,328
At 31 December 2017	730,000	12,367	1	742,368

The property was last revalued in December 2017 by professional valuers, Brasier Freeth Chartered Surveyors.

At 31st December 2018, the property value was considered not to have materially changed.

If revalued assets were stated on an historical cost basis rather than a fair value basis, at 31st December 2018 the cost would have been £499,634 (2017: £499,634), accumulated depreciation would have been £Nil (2017: £Nil) and the carrying value would have been £499,634 (2017: £499,634).

The closing net book value represents fixed assets used for:

	Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2018 £
Direct charitable purposes	656,415	8,977	1	665,393
Management and administrative purposes	72,935	-	-	72,935
	729,350	8,977	1	738,328

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2018

17. Fixed asset investments

	Shares in group undertakings
	2018
Market value	£
At 1 January 2018 and 31 December 2018	1
Net book value	
At 31 December 2018	1
At 31 December 2017	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

	2018	2017
	£	£
Trade debtors	2,250	3,356
Other debtors	6,531	1,237
Prepayments and accrued income	7,816	8,243
	<u>16,597</u>	<u>12,836</u>

19. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	6,584	7,458
Accruals and deferred income	23,607	37,026
Taxation and social security costs	10,184	13,493
Other creditors	1,613	13,896
	<u>41,988</u>	<u>71,873</u>

Deferred income of £3,230 (2017: £4,485) 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 2018

20. Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance	Incoming resources	Resources expended	Transfers & revaluations	Funds
	01 Jan '18				31 Dec '18
	£	£	£	£	£
General Fund	196,616	504,409	(423,058)	-	277,967
Designated Fund	50,459	-	(5427)	-	45,032
	247,075	504,409	(428,485)	-	322,999

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 '18				31 Dec '18
	£	£	£	£	£
Restricted funds					
Building fund	730,000	-	(650)	-	729,350
Plant and machinery fund	6,441	1,255	(1,939)	-	5,757
Abbots premises repairs fund	3,202	-	(3,202)	-	-
Workshop fund	4,389	9,000	(4,202)	-	9,187
Education & outreach fund	913	-	-	-	913
Motor vehicle Fund	5,875	-	(2,060)	-	3,815
	750,820	10,255	(12,053)	-	749,022
Total Funds	997,895	514,664	(440,538)	-	1,072,021

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 £230,160 (2017: £230,366).

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.

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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 31st December 2018 are represented by:

	Unrestricted	Restricted	Total
	£	£	£
Tangible assets	5,298	733,030	738,328
Investments	1	-	1
Net current assets	317,700	15,992	333,692
Total	322,999	749,022	1,072,021

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.

	2018	2017
	£	£
Contributions payable by the company for the year	13,263	19,580

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22. Limited liability status

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

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

	2018 Total	2017 Total
	£	£
Net movement in funds	74,126	(138,198)
Add back depreciation charge	5,295	7,763
Deduct interest income from investing activities	(1,258)	(2,924)
Deduct net proceeds from the sale of fixed assets	-	(6,985)
Decrease (Increase) in stock	2,037	2,483
Decrease (Increase) in debtors	(3,761)	24,019
Increase (decrease) in creditors	(29,885)	(13,793)
Net cash used in operating activities	<u>46,554</u>	<u>(127,635)</u>

