

**DEMAND DESIGN AND MANUFACTURE FOR
DISABILITY**

(A Company Limited By Guarantee)

**Annual Report
And Financial Statements
For
Year Ended 31 December 2021**

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

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Reference and administrative details for the year ended 31 December 2021

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
Trustees	Victoria Lyons (Appointed 19/07/2021) Robert Mankin (Resigned 29/07/2021) Thomas Mercer Andrew Parsons (Appointed 28/04/2022) John Plunkett (Appointed 28/04/2022) The Hon. Clare Renton Anthony Soothill Katherine White Russell Willcox
Honorary Officer	Anthony Soothill (Chair)
Principal Staff	Gary Evans (Chief Executive)
Company Secretary	Frances Evans
Bankers	Barclays Bank PLC, 137 Ladbroke Grove, London W11 1PT
Legal Advisors	Sherrards Solicitors LLP 4 Beaconsfield Rd, St Albans AL1 3RD
Independent Auditors	Gerald Edelman LLP Chartered Accountants 73 Cornhill, London EC3V 3QQ

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Strategic Report for the year ending 31 December 2021

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 its 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,
- providing educational support in the form of mentoring, coaching and industrial placements to school age and undergraduate students, and
- advancing 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 and planning our activities for the year, the Trustees have considered the Charity Commission's guidance on public benefit;

- The public benefit requirement (PB1)
- Public benefit: running a charity (PB2)
- Public benefit: reporting (PB3)

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

- a) To offer a sign-posting service which helps people find equipment solutions quickly
- 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, development, and manufacture
- c) Inclusive sports equipment
- d) Online tools
- e) Student Support
- f) Sign-posting service / helpdesk
- 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. DEMAND is now the only charity in the UK which has dedicated, full time, expert designers and makers able to meet people's needs when mainstream products fall short.

The projects we undertake meet the needs of people of all ages and range and range in complexity from the deceptively simple (e.g., a grabbing tool) to the complex (e.g., a fully articulating, fold-away artists' easel for people with impaired motor control). Projects vary in cost from a few hundred to many thousands of pounds and may take anything from a few days to many months to complete. It is in working on such projects that our placement and work experience students get to understand the meaning and practice of user-centred design, inclusive design, and design for disability.

New product design, development, and manufacture ('One to Many')

The promotion of our work online and on social media platforms will often reveal a wider unmet need for our custom equipment which would remain so if left to commercial manufacturers to develop the designs for production. The market for products like those designed by the team at DEMAND is relatively small and so it is generally uneconomic for mainstream manufacturers to pick up and run with these products on a commercial scale. Many innovative products never see the light of day because of this.

It is because of this that we have adopted an 'always design for production' philosophy for all our custom projects. Through working closely with users, thoughtful design, comprehensive modelling, and detailed documentation, it has become much easier and affordable to make that original one-off available to many; the research and development cost being written off against that original project work. 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. In 2022 the product portfolio will be expanded to include a therapy balance board and a wheelchair accessible play kitchen.

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, schools and latterly, care homes seniors, 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 - 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.

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Student Support

We have welcomed school age and undergraduate students into our workshops for many years and during 2021 we had 2 university students on industrial placements. 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.

“I can’t thank you enough for giving me this opportunity. It is safe to say it has been one of the hardest years of my life for lots of reasons, but it has given me experience like no other.” – *Charlie Fish, Loughborough University*

It is always a delight to witness the impact our students have when our client’s are moved to provide feedback;

“Just want to say thank you for everything. I have literally been waiting years for something like this and you have finally made me feel like there’s an end to my struggles You have allowed me to reach and open a window for the first time which I haven’t done before.”

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.

Helpline

In many cases, enquirers’ needs can be addressed with products and services already available on the open market; if only they could be found easily. Sometimes it is just a case of knowing the right question to ask whilst at other times some lateral and creative thinking is required to pinpoint an ideal solution. In 2021, 30 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 people with highly affordable (often for as little as 10% of the original retail price) and safe equipment which they might otherwise not be able to access (and which would inevitably end up in landfill). In 2021 this area of endeavour was dormant as our focus turned to product development.

Performance and achievements

Whilst we have not escaped the frustrations and challenges wrought by the many and regularly changing restrictions that have accompanied the on-going Covid-19 pandemic, we were, following comprehensive risk assessments and a great deal of adaptation of our working practices, able to restore our services to near normal from April onwards.

Being pragmatic, we recognised early that our best strategy in the short term was to continue to focus on product development (taking bespoke projects and developing them for the benefit of many), and on the more urgent custom equipment projects which were stalled because of pandemic induced restrictions.

We are a small team, and whilst it pains us not to be able to satisfy all the demands placed upon us, we continuously review our working methods and processes in our quest to be as

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productive and effective as possible. Several Trusts have provided funding to help us move much of our infrastructure into the cloud, and next year will see the charity adopt voice over IP as its telephony standard which will enable the team to be as location independent as possible.

Our search for high quality, and big-hearted, commercial outsourcing partners is bearing fruit with the result that our Boccia Lite and Pro-X production has been significantly enhanced. We retain the capability to manufacture these products in-house should the need arise but it is a far better use of everyone's time to be able to shift our bandwidth to focus more on design and make projects rather than repetitive manufacturing.

It is always heartening, then, to get positive feedback for our work and products, and to be able to remind ourselves that our 'day-to-day' makes as much of a difference to people as always;

"George loves the Freasel and has been enjoying working on a larger scale. We've found it easy to set it up for him to use in any of his chairs. It's helping George enormously" - *George's mum, Jane*

"Oh boy I wish you had been with us today in the art therapy group ... SJ tried out the Freasel and I can't express enough the joy. He was able to make work alone for the first time ever ...we were all close to tears" - *Carina*

Key Performance Indicators

We focused most of our efforts during the year on product development and the backlog of bespoke equipment projects which has built up over the past 18 months.

569 people benefited from the services and products we were able to deliver.

Total revenue for the 12 months to 31st December was £455,545 which was marginally down on the previous year total of £455,853.

Expenditure for the year amounted to £406,606 which was 2.8% less than in 2020 (£418,236).

The charity therefore realised a surplus in the year of £48,939. This was higher than budget and largely attributable to lower staff costs, and lower operational expenses (both directly attributable to the Covid 19 pandemic). We are grateful for HM Government support which has allowed us to retain key expert service delivery staff although saddened to have had to trim the team overall.

Forward cover, calculated on the average monthly budgeted monthly future expense against unrestricted funds stood at 8.3 months at the year-end which is in line with our current policy (3 to 12 months).

Future plans

Following a strategy review in July 2021, the trustees affirmed their commitment to making sure that the experience we have built up, and the learnings we have taken over our 40 years' of operations, are shared with as many people as possible. In addition to our student placement and regular work experience programme, our plan, over and above designing and making more great stuff for disabled people, is to leverage the knowledge we have gained in solving

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real world challenges for people, to providing and facilitating greater access to, and participation in, the art and craft of making.

The building blocks of our future plans are:

Co-operation

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

Capability

Investing in people and technologies to improve our ability to offer increasingly advanced solutions which remove barriers to inclusion, participation, and independence. Additive manufacturing ('3D printing'), for example, has been a terrific asset in helping us iterate ideas and designs more quickly, and digital machine tools have greatly improved our production capability.

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. We are investing in all things digital, especially audience building, to make sure we have the strong support we need to realise this vision,

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.

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 primary risk for the charity. Key elements in the management of financial risk are general prudence, tight cash control,

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diversification of income streams, a focus on quick decision making, raising unrestricted funds, regular review of available liquid funds, to settle debts as they fall due, and the proactive management of trade debtors and creditors balances to ensure sufficient working capital.

We are living with the consequences of the UK's exit from the EU. Shipments of products into EU states are swathed in paperwork and subject to unwelcome delays when passing through various countries customs procedures. Shipments to Portugal have proved particularly problematic. We have yet to see any benefit from any newly negotiated trade agreements.

The long tail of the Covid-19 pandemic will undoubtedly continue to challenge our ingenuity in getting the job done over the next 12 months and our learnings to date have proved invaluable in helping us reshape our service delivery. Much publicised shortages of oil and gas caused by global economic reawakening are already causing increases in raw material and energy costs which will have a negative material effect on the charity's budget in 2022 and beyond. Supply chains continue to be strained.

At the time of writing, the risks associated with armed conflict in other parts of the world are real and immediate. Trusts and Foundations, hitherto the bedrock of our income, will undoubtedly be under great pressure to increase their help for organisations providing humanitarian and medical support in places of conflict. It is for these very eventualities that we continue to seek to diversify our income generation and thereby improve our long term resilience.

Attention is continuously given to non-financial risks relating to fire, the health, safety and general safeguarding 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, 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; all essential in fulfilling our obligations as a MHRA Class 1 medical device manufacturer.

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

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- 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

19 May 2022

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY

Report of the Trustees (including Directors' Report) for the year ending 31 December 2021

The Trustees are pleased to present their Annual Report together with the financial statements of the charity for the year ending 31 December 2021 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 as amended for accounting periods commencing from 1 January 2019).

Chair's summary

Having weathered the worst of the pandemic we are now in reasonably clear water (although still expecting it to be choppy from time to time). The team has put considerable effort into reshaping the charity's infrastructure and working practices to enable us to be able to flex and adapt as things change.

Having had to put many projects on hold because of working and social restrictions it is heartening to witness the workshop abuzz once more as the team works its way through the backlog, and rebuild our stocks of Boccia ramps, Freasels, and Sensory Shell Chairs

The number of enquiries for custom equipment significantly increased in the last third of the year and have continued strongly into the new year which speaks strongly to the truth that despite myriad technology advances, it is still the case that 'one-size-fits-all' mainstream disability equipment often fails to meet the unique needs of people who often have multiple impairments and complicating health conditions. DEMAND is now the only charity in the UK which has dedicated, full time, expert designers, and makers, and comprehensively equipped workshops capable of meeting people's needs when mainstream products fall short.

We are still searching for bigger, more flexible premises which will allow us to further develop our current portfolio of work as well as accommodating our long anticipated open-access workshop whose purpose will be to give people of every ability the resources, space and support they need to explore their creativity, develop ideas, nurture business opportunities, and to learn and share valuable skills within a vibrant, supportive, creative, and inclusive community.

This is without doubt a transformative moment in the charity's history. Managing the metamorphosis of DEMAND from being a niche 'design and manufacturing house' into an open creative community will present us with many challenges and multiple times as many opportunities to broaden and deepen our impact. These are exciting and energising times!

I am delighted that Victoria Lyons, Andy Parsons and John Plunkett have joined the Board of Trustees, increasing our bench strength and bringing with them a wealth of knowledge and understanding of learning disability, health, social leadership, facilities management, and transformation, as well as boundless enthusiasm for our plans.

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 individuals up and down the country who support us financially, materially and in kind.

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Report of the Trustees (including Directors' Report) for the year ending 31 December 2021

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 also understand that the work we do can, for some, be difficult to visualise, so, lockdowns, social distancing, and travel restrictions willing, we'd love for 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.

Throughout 2021 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 educational placements for design and engineering graduates
- The provision of work experience opportunities for year 12 and 13 students
- The provision of project mentoring to Product Design undergraduates and school students
- The sharing of designs under open license to assist others in their endeavours to help disabled people through cracked-it.org

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 2022

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

1. 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.
2. 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.

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Report of the Trustees (including Directors' Report) for the year ending 31 December 2021

3. To develop new products and services, in line with our core purpose, which improve the charity's resilience and capabilities, technically, financially and culturally.
4. To grow sustainable voluntary income, primarily unrestricted in nature, in order to achieve our goals.
5. To continue to raise our profile and reputation.
6. 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 12 months. This policy was re-affirmed at the December 2021 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 12 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 2021 were £373,643 of which £39,736 remains designated to support the charity's development. The general fund therefore stands at £333,907, which is equivalent to approximately 8.3 months' expenditure at budgeted 2022 levels and which falls within our 3 to 12 month policy.

Restricted reserves at 31st December 2021 were £990,544 of which £983,315 was restricted to fixed assets held by the charity and an additional £7,229 available for projects tightly restricted by geography, age or disability or a combination of these.

Structure, Governance and Management

DEMAND is a charity and a Company Limited by Guarantee which is overseen by a Board of Trustees, currently numbering 8, 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 2021 was 6 (2020: 6).

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 Board of Directors, who are the charity's Trustees, and the senior management team, are the key management personnel of the charity in charge of directing and controlling, running

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Report of the Trustees (including Directors' Report) for the year ending 31 December 2021

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 | • The Hon. Clare Renton |
| • Victoria Lyons | • Andrew Parsons | • Katherine White |
| • Robert Mankin | • John Plunkett | • 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. Robert Mankin permanently retired from the Board of Trustees in July and Victoria Lyons was appointed in the same month.

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.

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Report of the Trustees (including Directors' Report) for the year ending 31 December 2021

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 2021.

On behalf of the board:



Anthony Soothill
Chair of Trustees
19 May 2022

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

Independent auditors' report to the trustees of DEMAND Design and Manufacture for Disability
for the year ending 31 December 2021 (continued)

Opinion

We have audited the financial statements of Demand Design And Manufacture For Disability (the 'company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 2021 and of its incoming resources and application of resources, 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 company 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

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Independent auditors' report to the trustees of DEMAND Design and Manufacture for Disability
for the year ending 31 December 2021 (continued)

whether this gives rise to a material misstatement in the financial statements themselves. 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, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' 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 trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the company for the purpose of company law, 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 the trustees 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 company'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 charitable company 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
(A Company Limited by Guarantee)

Independent auditors' report to the trustees of DEMAND Design and Manufacture for Disability
for the year ending 31 December 2021 (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, Charities Act, tax legislation, employment law and, Health and Safety.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Audited the risk of management override of controls, including through testing journal entries for appropriateness.

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Enquiring of management as to actual and potential litigation claims.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance. Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the charitable company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the Trustees.

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

**Independent auditors' report to the trustees of DEMAND Design and Manufacture for Disability
for the year ending 31 December 2021 (continued)**

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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. 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 auditor's 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

Engin Zekia FCA (Senior Statutory Auditor)

19 May 2022

for and on behalf of Gerald Edelman LLP

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 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Income:					
Donations and Legacies	2	349,701	9,988	359,689	339,176
Charitable Activities	3	24,723	-	24,723	10,419
Other Trading Activities	4	1,477	-	1,477	1,128
Investments	5	15	-	15	1
Other	6	69,641	-	69,641	105,129
Total income		445,557	9,988	455,545	455,853
Expenditure:					
Fundraising	7	37,491	-	37,491	85,089
Charitable activities	8	344,519	24,596	369,115	333,147
Total expenditure		382,010	24,596	406,606	418,236
Net income / (expenditure) and net movement in funds for the year		63,547	(14,608)	48,939	37,617
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		-	251,450	251,450	-
Net Movement in funds		63,547	236,842	300,389	37,617
Reconciliation of funds:					
Total funds brought forward		310,096	753,702	1,063,798	1,026,181
Total funds carried forward		373,643	990,544	1,364,187	1,063,798

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

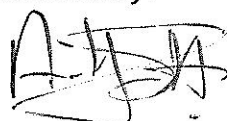
The notes on pages 21 to 35 form part of the financial statements

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Balance Sheet
for year ending 31 December 2021

	Notes	2021 Total funds £	2020 Prior year funds £
Fixed assets:			
Tangible assets	15	987,506	729,278
Investments	16	1	1
Total fixed assets		<u>987,507</u>	<u>729,279</u>
Current assets:			
Stocks		3,002	8,620
Debtors	17	17,872	22,177
Cash at bank and in hand		666,654	378,339
Total current assets		<u>687,528</u>	<u>409,136</u>
Liabilities:			
Creditors: Amounts falling due within one year	18	<u>(310,848)</u>	<u>(74,617)</u>
Net current assets		<u>376,680</u>	<u>334,519</u>
Total assets less current liabilities		<u>1,364,187</u>	<u>1,063,798</u>
Net assets		<u>1,364,187</u>	<u>1,063,798</u>
The funds of the charity:			
Unrestricted funds	19	333,907	270,360
Designated development fund		39,736	39,736
Restricted income funds		990,544	753,702
TOTAL FUNDS		<u>1,364,187</u>	<u>1,063,798</u>

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 9 May 2022 and were signed on its behalf by:



Anthony Soothill

Chair of Trustees

19 May 2022

Registered Company Number: 02671913

The notes on pages 21 to 35 form part of the financial statements

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Statement of Cash Flows
for year ending 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Cash used in operating activities	22	92,505	5,418	97,923	73,396
Interest income		15	-	15	-
Deposit paid re Sale of Old Chapel		195,500	-	195,500	-
Proceeds from the sale of fixed assets		3,708	(8,831)	(5,123)	-
Cash provided by (used in) investing activities		199,223	(8,831)	190,392	-
Increase (decrease) in cash and cash equivalents in the year		291,728	(3,413)	288,315	73,396
Cash and cash equivalents at the beginning of the year		317,185	61,154	378,339	304,943
Total cash and cash equivalents at the end of the year		608,913	57,741	666,654	378,339

Included in restricted funds of £57,741 is £3,229 (2020: £3,229) of deferred income, restricted to a capital fund, and £51,623 (2020: £33,500) of deferred income restricted to future projects.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2021

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 as amended for accounting periods commencing after 1 January 2019), 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.

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 £88,315 for the year, of which £195,500 is a potentially repayable deposit on exchange for the sale of the Old Chapel.

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

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2021

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 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.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2021

- 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.

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 2021

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 2021 were £12,306 (2020: £17,250) 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 3%.

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 2021

	2021	2020
	£	£
2. Donations and legacies		
Donations	359,689	339,176
	359,689	339,176

The income from donations was £359,689 (2020: £339,176) of which £349,701 was unrestricted (2020: £339,176) and £9,988 restricted (2020: Nil).

	2021	2020
	£	£
3. Charitable activities		
Inclusive sports equipment	16,222	8,761
Donated specialist equipment	17	363
DEMAND's own products	8,484	1,295
	24,723	10,419

	2021	2020
	£	£
4. Other trading activities		
Other trade revenue	1,477	1,128
	1,477	1,128

	2021	2020
	£	£
5. Investment income		
Interest received gross	15	1
	15	1

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2021

	2021	2020
6. Other income	£	£
Surplus on disposal of tangible assets	3,708	-
Government grant	65,933	105,129
	69,641	105,129

During the year we received £65,933 (2020: £105,129) in grants from the government's furlough scheme set up to help business and charities survive the Covid19 pandemic

	2021	2020
7. Expenditure on raising funds	£	£
Fundraising	37,491	85,089
	37,491	85,089

Expenditure on fundraising activities was £37,491 (2020: £85,089) of which £37,491 was unrestricted (2020: £85,089) and £NIL was restricted (2020: £NIL).

In addition to directly attributable fundraising costs, expenditure on fundraising includes a total of £158 (2020: £158) of allocated governance costs, of which £158 (2020: £158) was unrestricted, and £Nil (2020: £Nil) was restricted.

There were also £674 (2020: £1,124) of total allocated support costs, of which £674 (2020: £1,124) was unrestricted, and £NIL (2020: £NIL) was restricted.

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2021

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 2021
	£	£	£	£	£	£	£	£
Designing, producing & delivering products and services	161,801	49,237	207	24,399	504	12,383	16,181	264,712
Marketing	9,816	11,179	107	3,487	-	568	2,085	27,242
Premises	6,107	4,146	1	691	-	276	1,382	12,603
Depreciation Premises	-	-	-	-	-	-	-	-
Depreciation	2,053	-	-	-	-	-	-	2,053
Governance	10,312	15,494	2	2,031	-	811	1,170	29,820
Support costs	6,633	14,785	2,931	3,278	2,343	765	1,950	32,685
Total	196,722	94,841	3,248	33,886	2,847	14,803	22,768	369,115

Expenditure on charitable activities was £369,115 (2020: £333,147) of which £344,519 was unrestricted (2020: £331,533) and £24,596 was restricted (2020: -£1,614). See below for the analysis of expenditure on charitable activities for the previous year (2020).

Analysis of expenditure on charitable activities for the previous year (2020)

	CE	ODP	SRM	ISE	E&O	HL	SS	Total 2020
	£	£	£	£	£	£	£	£
Designing, producing & delivering products and services	150,916	50,760	137	13,019	949	9,223	13,391	238,395
Marketing	7,241	7,358	1	2,299	316	366	816	18,397
Premises	5,335	5,795	1	724	-	290	967	13,112
Depreciation Premises	650	-	-	-	-	-	-	650
Depreciation	3,555	-	-	-	-	-	-	3,555
Governance	9,084	16,361	3,164	2,046	-	818	1,181	32,654
Support costs	4,355	12,956	2,455	2,621	1,963	590	1,444	26,384
Total	181,136	93,230	5,758	20,709	3,228	11,287	17,799	333,147

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2021

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 2021
		£	£	£
Trustee meetings	Actual Cost	-	193	193
Trustee Recruitment	Actual Cost	-	850	850
Salaries and related costs	Allocated on time	23,850	20,135	43,985
Audit fees	Governance	-	7,325	7,325
Legal and professional	Governance	-	461	461
Insurances	Governance	-	1,014	1,014
General office	Pro rata staff full time equivalents	9,509	-	9,509
Total		33,359	29,978	63,337

	Fundraising	Charitable activities	Total 2021
	£	£	£
General Support	674	32,685	33,359
Governance	158	29,820	29,978
Total	832	62,505	63,337

Analysis of governance and support costs – previous year (2020)

	Basis of apportionment	General support	Governance	Total 2020
		£	£	£
Trustee meetings	Actual Cost	-	45	45
Salaries and related costs	Allocated on time	20,186	25,001	45,187
Audit fees	Governance	-	6,700	6,700
Legal and professional	Governance	-	61	61
Insurances	Governance	-	1,005	1,005
General office	Pro rata staff full time equivalents	7,322	-	7,322
Total		27,508	32,812	60,320

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2021

9. Analysis of governance and support costs – previous year (2020) – continued

	Fundraising	Charitable activities	Total 2020
	£	£	£
General Support	1,124	26,384	27,508
Governance	158	32,654	32,812
Total	1,282	59,038	60,320

	2021	2020
	£	£
10. Net income /(expenditure) for the year		
Net resources are stated after charging:		
Auditors' remuneration	7,325	6,700
Depreciation – owned assets	2,053	4,205

11. Trustees' remuneration and benefits

There were no Trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

The cost to the charity of indemnity insurance relating to the Trustees for the year amounted to £832 (2020: £824).

Trustees' expenses

Two trustee's were reimbursed for travelling expenses totalling £192 (2020: £29) in the year ended 31 December 2021.

The charity also met the expense of providing refreshments for Trustee meetings. For the year ended 31 December 2021 these expenses totalled £NIL (2020: £9).

	2021	2020
	£	£
12. Staff costs		
Salaries and wages	279,368	306,172
Social security costs	26,022	27,446
Pension costs	12,306	17,250
	317,696	350,868

DEMAND DESIGN AND MANUFACTURE FOR DISABILITY
Notes to the Financial Statements
for year ending 31 December 2021

12. Staff costs – continued

The average monthly head count was 7 staff (2020: 8 staff)

	2021	2020
Production staff	5	5
Fundraising	0	1
Management and administration	1	1
Marketing	1	1
	7	8

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

	2021	2020
£60,001 – £70,000	0	1
£70,001 – £80,000	1	0
	1	1

Remuneration of key management personnel

The remuneration of key management personnel is as follows;

	2021	2020
	£	£
Gross salaries	134,299	113,560
Company pension contributions	5,152	8,282
Aggregate compensation	139,451	121,842

13. Related party transactions

£645 was paid to appMotivate, a web applications and IT support Company owned by Peter Evans, a brother of the Chief Executive, Gary Evans (2020: £414).

14. 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 2021

15. Tangible fixed assets

	*Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2021 £
Cost (* or valuation at fair value)				
At 1 January 2021	730,000	134,896	29,813	894,709
Additions	-	8,831	-	8,831
Disposals written back	-	-	(18,823)	(18,823)
Revaluation	249,500	-	-	249,500
At 31 December 2021	<u>979,500</u>	<u>143,727</u>	<u>10,990</u>	<u>1,134,217</u>
Depreciation				
At 1 January 2021	1,950	133,669	29,812	165,431
Charge for year	-	2,053	-	2,053
Eliminated on Disposal written back	-	-	(18,823)	(18,823)
Written Back on Revaluation	(1,950)	-	-	(1,950)
At 31 December 2021	<u>-</u>	<u>135,722</u>	<u>10,989</u>	<u>146,711</u>
Net book value				
At 31 December 2021	<u>979,500</u>	<u>8,005</u>	<u>1</u>	<u>987,506</u>
At 31 December 2020	<u>728,050</u>	<u>1,227</u>	<u>1</u>	<u>729,278</u>

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

At 31st December 2021, the property value was the amount agreed on exchange of contracts to sell.

If revalued assets were stated on an historical cost basis rather than a fair value basis, at 31st December 2021 the cost would have been £499,634 (2020: £499,634), accumulated depreciation would have been £NIL (2020: £Nil) and the carrying value would have been £499,634 (2020: £499,634).

The closing net book value represents fixed assets used for:

	Freehold land & buildings £	Tools and equipment £	Motor vehicles £	Total 2021 £
Direct charitable purposes	881,550	8,005	1	889,556
Management and administrative purposes	97,950	-	-	97,950
	<u>979,500</u>	<u>8,005</u>	<u>1</u>	<u>987,506</u>

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16. Fixed asset investments

	Shares in group undertakings
	2021
Market value	£
At 1 January 2020 and 31 December 2021	<u>1</u>
Net book value	
At 31 December 2021	<u>1</u>
At 31 December 2020	<u>1</u>

There were no investments outside the UK.

The charitable company's investments at the balance sheet date in the share capital of companies include the following:

Demand SRM Limited – registered in England and Wales under number 07352263

Nature of business: Dormant

Class of share:	% holding
Ordinary	100%

17. Debtors

	2021	2020
	£	£
Trade debtors	1,350	250
Other debtors	12,723	16,033
Prepayments and accrued income	3,799	5,894
	<u>17,872</u>	<u>22,177</u>

18. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	2,119	2,781
Accruals and deferred income	100,106	55,402
Taxation and social security costs	8,814	13,178
Other creditors	199,809	3,256
	<u>310,848</u>	<u>74,617</u>

Deferred income of £54,852 (2020: £36,730) included in accruals and deferred income represents restricted donations received in advance.

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19. Analysis of charitable funds

Analysis of movements in unrestricted funds

	Balance	Incoming resources	Resources expended	Transfers & revaluations	Funds
	01 Jan 21				31 Dec 21
	£	£	£	£	£
General Fund	270,360	445,557	(382,010)	-	333,907
Designated Fund	39,736	-	-	-	39,736
	310,096	445,557	(382,010)	-	373,643

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 21				31 Dec 21
	£	£	£	£	£
Restricted funds					
Building fund	728,049	251,450	-	-	979,499
Plant and machinery fund	2,737	3,680	(1,903)	-	4,514
Workshop fund	18,187	-	(15,472)	-	2,715
Education & outreach fund	913	6,308	(7,221)	-	-
Motor vehicle Fund	3,816	-	-	-	3,816
	753,702	261,438	(24,596)	-	990,544
Total Funds	1,063,798	706,995	(406,606)	-	1,364,187

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.

Included in the Building Fund is a revaluation reserve and the balance at the Balance Sheet date was £479,660 (2020: £230,160).

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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19. Analysis of charitable funds – continued

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 2021 are represented by:

	Unrestricted	Restricted	Total
	£	£	£
Tangible assets	2	987,504	987,506
Investments	1	-	1
Net current assets	373,640	3,040	376,680
Total	373,643	990,544	1,364,187

20. 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.

	2021	2020
	£	£
Contributions payable by the company for the year	12,306	17,250

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21. 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.

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

	2021 Total	2020 Total
	£	£
Net movement in funds	48,939	37,617
Add back depreciation charge	2,053	4,205
Deduct interest income from investing activities	(15)	(1)
Deduct net proceeds from the sale of fixed assets	(3,708)	-
Decrease (Increase) in stock	5,618	(2,418)
Decrease (Increase) in debtors	4,305	(11,725)
Increase (decrease) in creditors	40,731	45,718
Net cash used in operating activities	<u>97,923</u>	<u>73,396</u>

23. Analysis of changes in net funds

	01 Jan 2021	Cash Flows	31 Dec 2021
	£	£	£
Cash at bank and in hand	378,339	288,315	666,654

