

# designability

**Designability Charity Limited**

**Annual Report and Financial Statements  
Year Ended  
31 March 2020**

**Registered Charity Number: 256335  
Company Number: 933932 (England & Wales)**



**Charity Designability Charity Limited**  
**Report of the Trustees**  
**For the Year Ended 31 March 2020**

**Contents**

Reference and Administration Details.....	3
Annual Report of the Trustees.....	4
Annual Report of the Management Team.....	11
Annual Report of the Independent Auditors to the Members of Designability Charity Limited.....	16
Statement of Financial Activities for the Year Ended 31 March 2020.....	19
Statement of Financial Position at 31 March 2020.....	20
Statement of Cash Flows for the Year Ended 31 March 2020.....	21
Notes to the Financial Statements for the Year Ended 31 March 2020.....	23

**Designability Charity Limited**  
**Annual Report of the Trustees for the Year Ended 31 March 2020**

The Trustees present the Annual Report and audited financial statements for the year ended 31 March 2020.

**Reference and Administration Details**

Charity Name:	Designability Charity Limited
Charity Registration Number:	256335
Company Registration Number:	933932
Registered Office:	Department D1, Wolfson Centre Royal United Hospital NHS Trust Bath, BA1 3NG Tel: +44 (0)1225 824103 Email: <a href="mailto:info@designability.org.uk">info@designability.org.uk</a> Website: <a href="http://www.designability.org.uk">www.designability.org.uk</a>

**Designability Trustees (at date of approval of the financial statements)**

Libby Gawith	Appointed 2015 Chair (appointed to Board 2011)
Mark Humphriss	Appointed 2017 Vice Chair
Martin Bloomfield	Appointed 2017
Lynda Bowen	Appointed 2020
Paul Fairhurst	Appointed 2020
Oliver Foster	Appointed 2020
Ben Hicks	Appointed 2015 (resigned 2019)
Emma Legg	Appointed 2020
Gavin Maggs	Appointed 2016
Tony Miles	Appointed 1986 (resigned 2019)
Paul Olomolaiye	Appointed 2017
Gordon Richardson	Appointed 2011
Steve Tanner	Appointed 2010 (resigned 2019)
Mark Tooley	Appointed 2002 (resigned 2019)
Christos Vasilakis	Appointed 2014
Mamie Wisker	Appointed 2017
Elizabeth White	Appointed 2012

**Company Secretary**

Company Secretary:	Mark Humphriss
Assistant Secretary:	Kathleen Mackey

<b>Chief Executive:</b>	Catharine Brown
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<b>Auditors:</b>	Moore, Chartered Accountants and Statutory Auditor, 30 Gay Street, Bath, BA1 2PA
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<b>Bankers:</b>	Barclays Bank UK PLC, 1 Churchill Place, London, E14 5HP
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In this report and financial statements Designability Charity Limited (formerly known as The Bath Institute of Medical Engineering) is referred to as 'Designability' or the 'Charity'.

[www.designability.org.uk](http://www.designability.org.uk)

Registered Charity No. 256335

Company registered No. 933932 (London)

Annual Report and Financial Statements  
for year ended 31 March 2020

## **Annual Report of the Trustees**

The Trustees, who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31 March 2020. The Trustees have adopted the provisions of 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).

### **Nature of governing document and how the charity is constituted**

Designability is a charitable company limited by guarantee, incorporated on 18 June 1968 and registered as a charity on 11 July 1968. The Charity 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. The objects of the Charity are:

‘The advancement of medical education and of engineering research for medical purposes, the dissemination of the knowledge thereby acquired and the relief of those in need (by reason of their disability, age or infirmity) by the provision of devices and equipment to assist in their medical treatment or improve their quality of life.’

The Charity enables disabled people to have greater choice and independence through the user-led design of products. Our vision is a future where every disabled person has the products they want to live the life they choose. Designability delivers choice by involving disabled people across the organisation and throughout the design process to create and provide innovative product solutions not available elsewhere.

### **Ensuring our work delivers our aims**

We review our aims, objectives and activities each year. The review looks at what we have achieved and the outcomes of our work in the previous 12 months, the success of each key activity and the benefits they have to those groups of people we are set up to help. It helps us ensure our aims, objectives and activities remain *focused on our stated purposes*. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

### **The focus of our work**

A strategic review was undertaken during the year and, as a result, we updated our vision and mission statements and have set a clear focus for the future:

#### **Our Vision**

A future where every disabled person has the products they want to live the life they choose.

#### **Our Mission**

To create and provide products that enable disabled people to live with greater independence. Our strategic objectives are centred on a clear plan to maximise our impact and do the best we can for disabled people. We work to enable people to overcome the challenges that they face through the provision of useful products that have been designed in collaboration with users themselves.

The number of disabled people in the UK is growing each year and our products are needed more than ever. We continue to work towards a future where every disabled person has the products they want to live the life they choose.

Having a clear direction in our work ensures our sustainability as an organisation and increases our efficiency and effectiveness. We occupy a much needed space, either as early entrants to a market, or in segments where there is not sufficient scale for a commercial operator.

Over the next three years, we plan to:

1. Develop our own products and support others to develop theirs.
2. Help adults and children who are primarily physically disabled.
3. Provide solutions for disabled people's mobility challenges in our new product development.

### **Organisation structure and how decisions are made**

Designability is a registered charity and company limited by guarantee whose work is overseen by a Board of Trustees and supported by their President. The Board of Trustees meets quarterly and is responsible for ensuring that the charity meets our charitable objectives and is run according to our Articles of Association and Memorandum of Association. The Trustees do not receive any remuneration for their duties.

### **Governance – Subcommittees**

There are two Board sub-committees:

#### **A. Projects and Research Governance Committee**

The Trustees have appointed a Projects and Research Governance Committee of Trustees and External Members who meet quarterly to provide oversight and research governance prior to Board meetings.

#### **B. Finance and Audit Committee (previously called Oversight and Scrutiny Committee)**

This committee of Trustees meets quarterly prior to Board meetings to review finance, health and safety and risk management.

Responsibility for the day to day running of the organisation and delivery of activities is delegated to the Chief Executive and a detailed Delegated Authority Matrix is in operation.

A designated member of the Board of Trustees has a key responsibility to oversee safeguarding within the charity and is responsible for reviewing the Children's and Adult's Safeguarding policies every two years or when amendments to policies or procedures are made.

### **Designability's President: The Right Honourable Lord Don Foster of Bath**

Our President is elected at our AGM for a term of three years (and may then be re-elected). Our President provides the Charity with advice and support and promotes our work and impact to a wider audience.

### **Risk Management**

All significant activities undertaken are subject to a risk review as part of the activity assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood.

Major risks, for this purpose, are those that may have a significant effect on:

- Operational performance, including risks to our staff or volunteers;
- Financial stability, including stability and security of income;
- Achievement of our aims and objectives or;
- Meeting the expectations of our beneficiaries or supporters.

The Trustees review these risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance. The following framework is central to ensuring adequate risk assurance:

- Review of risk within all governance committees and development of action plans to control risks identified;
- Risk identification and assessment is embedded into Standard Operating Procedures (SOPs) and the Quality Management framework;
- A clear structure of delegated authority and control;
- Regular internal audit to ensure compliance to agreed risk management processes;
- Maintaining reserves in line with set policies.

As an ISO 9001 certified organisation, risk based thinking is a key part of our management approach. We regularly review our organisational risk register and respond to the changing internal and external factors. During 2019, our risk management work focused on our strategic direction, creating a new focus for our product development and service provision. We identified risks from financial and medical device regulations and put plans in place to maintain compliance.

When the Covid-19 restrictions were put in place, we created a Covid-19 response risk register, with actions to ensure the safety of our staff and manage our premises' in the short term, then driving us to find new innovative ways to continue our operations remotely.

Financial stability is managed through regular reviews of donated income, available liquid funds to settle debts as they fall due and active management of trade debtors and creditors, to ensure there is adequate working capital.

Detailed Covid-19 scenario planning has been undertaken to ensure that Designability is as prepared as possible to ensure business continuity and to maintain provision of services. Levels of financial reserves are retained in line with the organisational Reserves Policy.

Extensive work has been carried out to ensure compliance with Medical Device Regulations (MDR). All measures introduced have been reviewed by an external MDR-specialist consultancy to assure compliance with regulatory requirements.

Attention has also been given to non-financial risks including: product liability, facilities and health and safety. These risks are managed by having robust policies and procedures in place. In addition, financial controls are in place to mitigate the risk of financial losses due to theft or fraud. The key risk areas are reviewed on a quarterly basis by the Finance and Audit Committee, with an annual review by the Trustee Board.

## **Plans for the future**

Our key plans for the future include:

- A focus on new product development and designs that provide mobility solutions and therefore greater independence to disabled people.
- Contributing to research which assesses the importance of Early Years Powered Mobility through the provision and ease of access to products such as Wizzybug powered wheelchairs.
- Increasing the number of children on the Wizzybug Loan Scheme by making it easier for families to access the scheme.
- Continuing to diversify our fundraising income streams to increase the funding generated by community activities and corporate partnerships.

We will review how our activity meets our goals during 2020/21 and outlining priorities for the period ahead.

## **Financial Review**

The Board of Trustees are pleased with the financial performance of the Charity this year. Income has increased on the previous year following an increase in donations, and with a modest increase in expenditure, a financial surplus has been achieved and the underlying position is strong.

### **Financial effect of significant events**

The Finance and Audit Committee review financial performance on a quarterly basis. The Trustees have welcomed a new funding partnership to deliver the Wizzybug Loan Scheme over the years ahead, which brings welcome security, and understand the need to grow other sources of income for the longer term.

### **Any factors likely to affect future financial performance**

The Trustees have not identified any factors that are not documented in the risk register which are likely to affect our future financial performance.

The Covid-19 pandemic is the most significant factor likely to affect future performance given social distancing requirements and the impact on the workplace and the UK and global economy. The Trustees and senior management have undertaken extensive scenario planning to mitigate the impact of Covid-19 and ensure that Designability remains financially sustainable. The Trustees are confident that Designability remains a going concern.

### **Principal funding sources and how they support key objectives**

Principal funding sources are donations and grants from trusts and foundations, along with other forms of voluntary income, followed by income from product sales and royalties.

Our new product development programme focuses on developing products to support our beneficiaries across all age groups and is funded from restricted and unrestricted donated funds, together with income from consultancy work and sales and royalties.

Our Wizzybug Loan Scheme directly delivers against our objective of facilitating access to Early Years Powered Mobility for disabled children younger than five years and is funded from restricted and unrestricted donated funds.

A summary of our sources of income and expenditure for these programmes is provided within the Report of the Management Team.

#### **Arrangements for setting the pay of key management personnel**

The Trustees consider that the key management personnel are the Chief Executive, the Head of Operations, the Head of Fundraising and Communications and the Head of Design and Engineering (for the period under review). The pay of senior staff is reviewed annually by the Chair and Vice Chair. Any increase in pay is considered in accordance with average earnings within comparable organisations and is dependent on individual performance.

When recruiting, pay is set by benchmarking salaries against a comparable role within similar sized third-sector organisations.

For the year ended 31 March 2020, the total employment benefits of key management personnel (including NI and pension contributions) are detailed in note 11 to the accounts.

#### **Reserves Policy**

A comprehensive reserves policy is in place, which provides for the Charity to retain six months of average unrestricted operating costs in a designated fund in order to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

An Innovation Reserve is held to provide seed-funding for research and/or development of new products by the Charity. Use of this Reserve is decided by the Board of Trustees.

The Refurbishment Reserve exists to provide funding for refurbishment of Designability premises.

The General Reserve consists of the balance of any unrestricted funds that are not designated in the Operating Reserve or the Innovation Reserve. The General Reserve is being maintained at a higher level than in previous years, because planned investment has been delayed due to the Covid-19 outbreak and to mitigate against any decrease in expected income resulting from the effects of the pandemic on funders' ability to donate.

The Trustees reviewed the level of designated funds at 31 March 2020 and confirm that the Reserves Policy has been met. The balance on designated operating reserve as of 31 March 2020 was **£721,162** (note 21).

	<b>Value as of 31 March 2020</b>	<b>Purpose</b>
Restricted funds	£294,897	Funds for Wizzybug Loan Scheme and other allocated projects including the refurbishment reserve
General Reserve - Unrestricted	£555,721	Unrestricted reserves
Innovation Reserve - Designated	£20,000	Designated funds – to support innovation projects
Operating Reserve - Designated	£721,162	Funds set aside adequate to cover 6 months' running costs and refurbishment of Wizzybugs between loans

At 31 March 2020, the Charity had free reserves (unrestricted reserves that are not functional fixed assets) of £262,254, which form part of the General Reserve above (2019: £36,797).



## Investment Policy

The Trustees manage the investment portfolio in accordance with the Charity's governing document.

Monies not immediately required for the objects of the Charity may be invested in investments, securities or property as may be thought fit having regard to any consent and in accordance with any relevant laws. The Board includes Trustees with sufficient specialist knowledge and experience of investments suitable to the present needs of the Charity.

The Charity holds a significant proportion of invested money in bonds, both with banks and corporates. Bonds are considered lower risk investments than shares as there is a degree of security in the investment should the provider of the bond become insolvent. Bond holders receive capital repayment ahead of shareholders. This is in line with the Investment Policy of the Charity in that no undue risk is taken in seeking a higher investment return. The corporate bonds are held through funds which contain numerous corporate bonds. This is via an Open Ended Investment Company in order to mitigate risk. No bond is held with an individual company.

The majority of the invested money is held in a charity specific investment fund aiming to provide long term growth and distributions. The fund has an ethical investment policy as required by the fund investors (who are only registered charities). The fund aims to beat inflation and is significantly diversified in order to mitigate risk.

The Charity does not invest in individual companies and does not hold any 'social investments' where the purpose in making the investment is wholly or partly to further the Charity's aims.

## Methods, policies and procedures for recruitment, appointment, induction and training of Trustees

The Board has appropriate procedures for the recruitment, appointment, induction and training of its Trustees.

Trustees have been recruited through an open and transparent process involving the placing of advertisements in appropriate media, or via appointment as outlined in the Articles of Association.

Current appointed members are:

Gavin Maggs	Appointed by the University of Bath (became an independent Trustee from March 2020)
Tony Miles	Appointed by the University of Bath (until November 2019)
Christos Vasilakis	Appointed by the University of Bath
Paul Olomolaiye	Appointed by the University of the West of England
Mark Tooley	Appointed by the Clinical Commissioning Group for Bath & North East Somerset (until November 2019)
Elizabeth White	Appointed by the Clinical Commissioning Group for Bath & North East Somerset

The Chair and Vice Chair/Company Secretary of the Charity, supported by the Chief Executive, consider the skills, diversity and gender balance of the Board prior to appointments being made.

A comprehensive induction programme is undertaken by all new Trustees and training needs are identified through regular Board reviews.

## Structure, Governance and Management

### Governing document

The Charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee as defined by the Companies Act 2006.

### Statement of Trustees' responsibilities

The Trustees (who are also the directors of Designability Charity Limited for the purposes of company law) are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are 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.

In so far as the Trustees are aware:

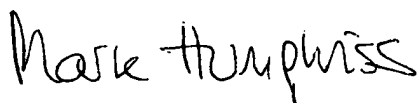
- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### AUDITORS

The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 7<sup>th</sup> September 2020 and signed on its behalf by:



M Humphriss  
Company Secretary

5/10/2020

## **Annual Report of the Management Team**

### **Summary of Activities**

#### **A. Service Provision**

##### **Early Years Powered Mobility and the Wizzybug Loan Scheme**

At the year end, there were 501 Wizzybugs active on the Wizzybug Loan Scheme fleet, up from 421 in 2019, with a total of 837 children having received a Wizzybug since the loan scheme started. The number of enquiries and appointments each year continues to grow, at Designability's premises in Bath and through our partners the William Merritt Centre in Leeds and the Mae Murray Foundation in Northern Ireland.

Expansion of the Wizzybug Loan Scheme is a key strategic objective, as our analysis indicates there are significantly more disabled children who can benefit from the independent mobility of a Wizzybug and the subsequent developmental improvements it brings. Over the next five years, we will be testing and launching a number of innovations in both the product design and the free loan service to welcome many more children across the UK onto the scheme. Designability will be supported to achieve this expansion by a partnership with Motability, the Charity, over the next five years.

##### **The Memory Technology Gallery**

The Memory Technology Gallery is an information and signposting service for anyone to find out more about what products are available to assist with everyday living for people living with dementia and their carers. Designability hosts the gallery in collaboration with the Royal United Hospital, Bath. Advice and information is provided by appointment with a Technology Demonstrator. This year, the gallery moved to a room in the brand new Brownsword Therapies Centre at the RUH. In 2019, the service responded to 217 referrals and reached 337 further people via a talk, training event or a tour of the gallery.

#### **B. Products**

##### **New product development**

As we look to be a charity known nationally for having a vibrant programme of new and established products created in partnership with the people they are intended for; we have made progress on new ideas which will enable disabled people to have greater independence.

We have been working on a mobility solution for families which will enable a manual wheelchair user to transport a young child independently, giving greater choice and freedom outside. This product is being developed in close collaboration with those who have faced, or are about to face, this challenge, to establish key requirements and move to technical feasibility studies.

##### **Product Sales**

We continue to sell thousands of our products a year, some of which are produced in our workshop, and some, by our own design, produced in partnership with other organisations. A productive partnership has been developed with Ravencourt Living, who offer a range of daily living aids aimed at keeping people independent for longer, to distribute a number of our existing products more widely.

International sales of Wizzybugs continue to grow, through partnerships with a small number of carefully selected distributors.

## **C. Research**

Research remains the first step of every new product development we undertake and forms the foundations of our user centred design approach.

We are part of the Bangor University EMPoWER Advisory Network for which we contribute our expertise in early years powered mobility, childhood disability, and NHS policy and service delivery. The project team identifies research and evidence about early years powered mobility for all children and shares their knowledge about the costs and benefits of powered mobility for disabled children younger than five years.

There has been a cultural shift in the balance of research alongside new product development at Designability, in favour of prioritising greatest impact through the provision of assistive products for people that need them.

## **D. Education**

### **University of Bath User Centred Design Module**

We led a user centred design module for third year Mechanical Engineering students at the University of Bath in October 2019. The five week course comprised of a series of seminars which introduced students to the theory and tools used in user centred design, real world product design case studies and a mini project to work on. This year we introduced a 'design sprint' to support the students in groups to come up with ideas quickly. Students worked with a volunteer who had a disability to look to solve a problem they faced. Students met with their volunteer each week to understand their needs, review ideas, and test prototypes - this gave them a 'taste' of how we work at Designability. The design solutions the students came up with were fantastic, e.g. one group explored how they could support their volunteer, who is a wheelchair user, to put on their trousers and another group explored how someone with limited hand grip strength and dexterity could eat their favourite Chinese food with chopsticks. The course was really popular with students who rated their experience at an average of 9.2/10, with many commenting on how much they enjoyed the experience of getting to solve real problems with real people.

### **Smallpeice Biomedical Engineering Course**

In August 2019, we presented a seminar to the Smallpeice Biomedical Engineering course at Southampton University that introduced young people (16-18 years) to user centred design. We explored the importance of considering people when designing products and highlighted some of these opportunities and the impact of being 'user-centred' through some of our project work at Designability.

### **Bath College Product Design**

We provided mentoring and project feedback for 12 Year 2 Product Design students from Bath College over the course of three months. The fifth and final year of this educational outreach involved meeting with the students to provide industry insight for their inclusive design projects. We worked with the tutor and students to teach inclusive design principles whilst the students developed solutions for some real disabled people.

## Key publications and presentations

### Publications:

- Evans, N. & Boyd, H. & Harris, N. & Noonan, K. & Ingram, T. & Jarvis, A. & Ridgers, J & Cheston, R. (2020)  
The experience of using prompting technology from the perspective of people with Dementia and their primary carers, Aging & Mental Health

### Presentations:

- Early Years Powered Mobility - *what, why, when, who, where and how?*  
Presentation to the annual conference of the Royal College of Occupational Therapists (RCOT) Children, Young People and Families section, including hands on experience of Wizzybug for therapists.

## E. Premises

In early 2020, we relocated all of our workshop activity to a new, larger workshop on Wells Road, Bath, which will enable us to help even more disabled children and adults. Our production had previously been split between another location in the city and a small workshop room at our main offices based at the Royal United Hospital.

The new workshop space allows us to concentrate all of our workshop activities and provides greater space to build Wizzybugs for young children, engineer prototypes for new products and test and manufacture our new designs.

This change of premises has alleviated the need to continue to look for a site for a new building for Designability and means we can now focus on creating new designs to benefit a greater number of people.

## F. Other activities

Significant work has been completed to improve systems and compliance throughout the charity this year:

### Medical Device Regulation (MDR)

Wizzybug is classified as a class 1 medical device. In 2021, the new EU Medical Device Regulation comes into force, requiring manufacturers to meet much more stringent requirements in their technical documentation and quality management systems. Designability is undertaking a large project to maintain our CE mark and ensure compliance with the new regulations. This has been a highly resource intensive project, but it is vital to continue to operate the Wizzybug Loan Scheme. All measures introduced have been reviewed by an external MDR-specialist consultancy to assure compliance with regulatory requirements.

### Quality Management System and ISO 9001:2015

Quality management is embedded into our organisation through extensive use of our Quality Management System. We continue to be audited by our chosen certification body, BSI and our ISO 9001:2015 Certification has been maintained.

## **Awards**

Designability was awarded second place in the 'Best Charities to Work For' list compiled by Third Sector. This award showed that our staff highly rate our approach of encouraging activities to create strong teams and foster good personal relationships. Our ranking also reflected the high score given for leadership and strategic planning.

The Wizzybug team were awarded the Royal College of Occupational Therapists' Children, Young People and Families 'Innovative Placement Educator' award which recognises the quality of work experience placements that we offer to students.

## **G. Response to Covid-19 outbreak**

Towards the end of the year to March 2020, the Charity responded to the outbreak of the Covid-19 virus. In response to government guidelines, the offices and workshops were closed and staff began remote working where possible. Services including the Wizzybug Loan Scheme and the Memory Technology Gallery were suspended.

At the time of writing, the workshop has reopened and services are restarting. Staff continue to work remotely in line with guidance. As detailed in the Trustees' Report, a Covid-specific risk register is in operation and risk is reviewed regularly.

Covid-19 has had an impact on Designability's income; but this impact has been marginal due to the strong relationships built up with a number of Trusts and Foundations, as well as effective distribution partnerships for product sales. Income from product sales has been affected; but only is as much as that orders for products, particularly Wizzybugs, have been realised in the subsequent financial year than previously budgeted. Any financial impact on income has thus far been mitigated very effectively through appropriate controlling of expenditure.

## **H. Summary of our Financial Performance**

The Charity's financial performance this year was strong with a year-end surplus of £295,263.

### **INCOME**

#### **Donations**

Voluntary income from donations increased by 11% this year to £1,324,353 from 2018/19. The majority of donations received were from charitable Trusts and Foundations which account for 86% of the total.

Designability is registered with the Fundraising Regulator, committed to the Fundraising Promise and all fundraisers acting on behalf of Designability adhere to the Code of Fundraising Practice. We are also organisational members of the Institute of Fundraising, giving all members of staff further access to best practice advice, support and training.

Our Complaints Policy forms part of our Quality Management System and information on how to make a complaint is available to the public on our website. We have not received any complaints in relation to fundraising activity this year.

As a result of the new Strategic Plan 2020 - 2023, the focus has shifted from research grant income to applications to Trusts and Foundations for donations and grants to fund operational and project costs.

In order to meet the requirements of the Charities SORP (FRS 102), in relation to the accounting of multi-year funding agreements, the income in the prior year accounts (2018-19) have been adjusted by £42,500 of grant income. This relates to two multi-year funding agreements which began in 2018-19 and have a three year term.

#### **Sales & royalties**

Product sales and royalties increased to £436,194 (£273,441 - 2018-19) due to strong export sales of Wizzybug.

#### **Consultancy**

Consultancy income increased this year with an income of £42,135, compared with £17,632 in 2018-19. Designability continues to ensure that delivery of consultancy projects fits with the charitable objectives and that involvement offers real impact to our beneficiaries.

#### **EXPENDITURE**

Total expenditure this year was £1,525,179, versus £1,418,800 in 2018-19.

#### **Cost of raising funds**

The cost of raising funds increased from £110,143 (2018-19) to £111,733.

#### **Summary**

In summary, 2019-20 was another positive year financially. Due to continued responsible management of expenditure, and increasingly successful fundraising, the Management Team and Trustees feel confident to invest in the growth of the organisation, thus bringing about increased positive impact for disabled people.

## **Annual Report of the Independent Auditors to the Members of Designability Charity Limited**

### **Opinion**

We have audited the financial statements of Designability Charity Limited (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, 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 (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 March 2020 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 of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) requires 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 charitable company'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 Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.



Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

- the information given in the Annual Report of the Trustees and the Annual Report of the Management Team for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report of the Trustees and the Annual Report of the Management Team 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual Report of the Trustees and the Annual Report of the Management Team.

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

- 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; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare the Annual Report of the Trustees or in preparing the Annual Report of the Management Team.

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable 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.

## Our 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 a Report of the Independent Auditors 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 Councils website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Powell (Senior Statutory Auditor)  
for and on behalf of Moore  
Chartered Accountants and Statutory Auditor  
30 Gay Street  
Bath  
BA1 2PA

Date 13/10/2020

### Note:

The maintenance and integrity of Designability Charity Limited website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Designability Charity Limited

Statement of Financial Activities  
for the Year Ended 31 March 2020

		Unrestricted Funds	Project Funds	Research Funds	31.3.20 Total Funds	31.3.19 Total Funds as restated
	Notes	£	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	2, 13	553,033	735,828	35,492	1,324,353	1,187,237
<b>Charitable activities</b>	5					
Charitable Activity		436,194	-	-	436,194	273,441
Other trading activities	3	58,901	-	-	58,901	17,632
Investment income	4	14,567	-	-	14,567	14,741
<b>Total</b>		<b>1,062,695</b>	<b>735,828</b>	<b>35,492</b>	<b>1,834,015</b>	<b>1,493,051</b>
<b>EXPENDITURE ON</b>						
<b>Raising funds</b>						
Raising donations and legacies	6	109,500	-	-	109,500	102,258
Other trading activities		2,233	-	-	2,233	7,885
		111,733	-	-	111,733	110,143
<b>Charitable activities</b>	7					
Charitable Activity		462,564	794,289	33,987	1,290,840	1,186,268
Other		122,606	-	-	122,606	122,389
<b>Total</b>		<b>696,903</b>	<b>794,289</b>	<b>33,987</b>	<b>1,525,179</b>	<b>1,418,800</b>
Net gains/(losses) on investments		(13,573)	-	-	(13,573)	29,238
<b>NET INCOME/(EXPENDITURE)</b>		<b>352,219</b>	<b>(58,461)</b>	<b>1,505</b>	<b>295,263</b>	<b>103,489</b>
Transfers between funds	21	(6,429)	4,763	1,666	-	-
<b>Net movement in funds</b>		<b>345,790</b>	<b>(53,698)</b>	<b>3,171</b>	<b>295,263</b>	<b>103,489</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		951,093	344,427	997	1,296,517	1,193,028
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,296,883</b>	<b>290,729</b>	<b>4,168</b>	<b>1,591,780</b>	<b>1,296,517</b>

**CONTINUING OPERATIONS**

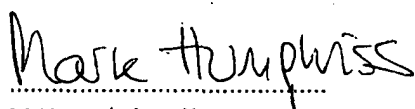
All income and expenditure has arisen from continuing activities.

Statement of Financial Position  
31 March 2020

	Notes	31.3.20 £	31.3.19 as restated £
<b>FIXED ASSETS</b>			
Tangible assets	14	293,467	367,394
Investments	15	<u>493,934</u>	<u>507,507</u>
		787,401	874,901
<b>CURRENT ASSETS</b>			
Stocks	16	178,489	78,493
Debtors	17	216,197	135,611
Cash at bank		<u>563,227</u>	<u>431,112</u>
		957,913	645,216
<b>CREDITORS</b>			
Amounts falling due within one year	18	<u>(153,534)</u>	<u>(223,600)</u>
<b>NET CURRENT ASSETS</b>		<u>804,379</u>	<u>421,616</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,591,780</u>	<u>1,296,517</u>
<b>NET ASSETS</b>		<u>1,591,780</u>	<u>1,296,517</u>
<b>FUNDS</b>	21		
Unrestricted funds		1,296,883	951,093
Restricted funds		<u>294,897</u>	<u>345,424</u>
<b>TOTAL FUNDS</b>		<u>1,591,780</u>	<u>1,296,517</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 7<sup>th</sup> September 2020 and were authorised for issue and signed on its behalf on 5<sup>th</sup> October 2020 by:

  
M Humphriss - Trustee

Designability Charity Limited

Statement of Cash Flows  
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>212,980</u>	<u>263,668</u>
Net cash provided by operating activities		<u>212,980</u>	<u>263,668</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(96,778)	(162,125)
Sale of tangible fixed assets		1,346	-
Dividends received		<u>14,567</u>	<u>14,741</u>
Net cash used in investing activities		<u>(80,865)</u>	<u>(147,384)</u>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		132,115	116,284
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>431,112</u>	<u>314,828</u>
 <b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>563,227</u></u>	<u><u>431,112</u></u>

Notes to the Statement of Cash Flows  
for the Year Ended 31 March 2020

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.20	31.3.19 as restated
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	295,263	103,489
Adjustments for:		
Depreciation charges	167,358	139,985
Losses/(gain) on investments	13,573	(29,238)
Loss on disposal of fixed assets	2,000	6,300
Dividends received	(14,567)	(14,741)
Increase in stocks	(99,996)	(1,282)
(Increase)/decrease in debtors	(80,586)	186,802
Decrease in creditors	<u>(70,065)</u>	<u>(127,647)</u>
Net cash provided by operations	<u>212,980</u>	<u>263,668</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank	<u>431,112</u>	<u>132,115</u>	<u>563,227</u>
	<u>431,112</u>	<u>132,115</u>	<u>563,227</u>
Total	<u>431,112</u>	<u>132,115</u>	<u>563,227</u>

## **1. ACCOUNTING POLICIES**

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

### **Going Concern**

During the period under review and continuing to the date that the Financial Statements were approved, the coronavirus (Covid-19) outbreak has caused extensive disruptions to businesses and economic activities globally. This has not had a significant impact on the charity to the date of signing, but the trustees continue to monitor the situation.

The trustees have considered the financial resources and commitments of the charity, particularly in light of the coronavirus outbreak, and concluded that they have sufficient resources to meet liabilities as they fall due. The trustees' therefore consider it appropriate to prepare the financial statements on the going concern basis.

### **Income**

All income is recognised in the Statement of Financial Activities once the Charity has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

The following specific policies are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.
- Legacy income is recognised when receipt is probable, and entitlement is established.
- Consultancy, sales and royalties are accounted for in the period in which the relevant goods or services have been provided.
- Income from donated goods is measured at fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

**1. ACCOUNTING POLICIES - continued**

Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- Expenditure on raising funds includes the costs of all fundraising activities, events and non-charitable trading activities.
- Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

**Allocation and apportionment of costs**

Direct costs attributable to a single activity are allocated directly to that activity. For restricted projects, expenditure is the total of all invoiced costs plus all recorded staff hours spent on the project with a 45% charge to cover support costs and overheads. Income is the donated income specified for each project, received in the year.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Over the life of the lease or shorter if applicable
Plant and machinery	- 20% on cost
Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

Long leasehold includes lease improvements which are written off over the useful life of the improvement or the lease term, whichever is shorter.

**Stocks**

Stock is measured at the lower of cost and estimated selling price less costs to complete and sell, after making allowance for obsolete and slow moving items.

**Fund accounting**

Unrestricted funds can be used in accordance with the Charitable Objects at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are unrestricted funds earmarked by the Trustees to further any of the Charity's purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.



**1. ACCOUNTING POLICIES - continued**

**Taxation**

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

**Pension costs**

Designability participates in two defined benefit pension schemes. The costs of contributions are recognised in the year they are paid. See note 11 for further detail on these schemes.

**Transfers**

Transfers between unrestricted funds and restricted funds are made where the income for the project is exceeded by the costs incurred on the project, or where it has been agreed with the funder to use unspent balances at the end of a project on activities with a similar objective.

**Debtors and prepayments**

Trade and other debtors are recognised at the settlement amount due after any trade discounts and net of any provision for bad debt. Prepayments are valued at the amount prepaid net of any discounts.

**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 to settle the obligation can be measured or estimated reliably.

**Cash and cash equivalents**

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.

**Limitation by guarantee**

The Company is limited by Guarantee and as such has no share capital. Under the Constitution, each Trustee of Designability is liable to contribute £10 in the event of winding up.

**Charitable Status**

The Company is a registered charity (no 256335).

**General Information**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is the Wolfson Centre, Royal United Hospital, Bath, BA1 3NG. The charity constitutes a public benefit entity.

**Reserves Policy**

The purpose of Designability's Reserves Policy is to ensure the stability of the charity, programmes and ongoing operations of the organisation and to provide a source of internal funds for organisational priorities. The Reserves Policy will be implemented in concert with Designability's other governance and financial policies and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans. This policy includes details of all Funds in order to provide a complete picture of Designability's balance sheet.

**1. ACCOUNTING POLICIES - continued**

**Reserves Policy - continued**

The total net assets of Designability are represented by Funds, including Restricted funds and Unrestricted funds.

***Restricted Funds***

Restricted Funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal. Designability Restricted Funds fall into 2 categories:

Research Funds - Where income is usually fully expended in the same year.

Project Funds - Where income is given for a specific project. Project Funds may include provision for future repair and refurbishment for loan-scheme projects such as Wizzybug.

***Unrestricted Funds***

The Board of Trustees has designated certain Unrestricted Funds into Board-Designated Reserves.

***Designated Operating Reserve***

The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of Designability that Operating Reserves are to be used and replenished within a reasonably short period of time. The Operating Reserve Fund is defined as a designated fund set aside by action of the Board of Trustees.

The minimum amount to be designated as Operating Reserve will be established as an amount sufficient to maintain ongoing operations and programmes measured for a set period of time, measured in months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to both internal and external changes. The target minimum Operating Reserve Fund is equal to six months of average Unrestricted operating costs.

The calculation of average monthly operating costs includes all recurring, predictable expenses such as salaries, benefits, office costs, travel and ongoing professional services. Expenditure on Restricted Research Funds and Project Funds, depreciation, in-kind, and other non-cash expenses are not included in the calculation. The calculation of average monthly expenses also excludes some expenses such as one-off or unusual, capital purchases.

The amount of the Operating Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the Finance Committee/Board of Trustees, and included in the regular financial reports.

***Designated Innovation Reserve***

The Innovation Reserve is intended to provide seed-funding for research and/or development of new products by Designability. Use of this Reserve is decided by the Board of Trustees.

**1. ACCOUNTING POLICIES - continued**

***Refurbishment Reserve***

The Refurbishment Reserve consists of funds donated specifically for Designability to spend on buildings, in particular the refurbishment of its offices with the premises at the Royal United Hospital Bath.

***General Reserve***

The General Reserve consists of the balance of any unrestricted funds that are not designated in the Operating Reserve or the Innovation Reserve.

***Accounting for Reserves***

The Designated Reserve Funds will be recorded in the financial records as Board-Designated Reserves.

The Operating Reserve will be held in cash or cash equivalent funds.

***Funding of Reserves***

The Operating Reserve will be funded with surplus unrestricted operating funds. The Board of Trustees may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples could include one-off gifts or bequests, special grants or special appeals.

The Innovation Reserve will be funded with occasional special designations made by the Board of Trustees.

The General Reserve comprises any remaining balance of reserves.

The Refurbishment Reserve is funded from donations made specifically for buildings and refurbishment of premises.

***Investment Policy***

Quoted investment assets are stated at market value in the financial statements.

The Statement of Financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investment income is treated as income when receivable.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**2. DONATIONS AND LEGACIES**

	31.3.20	31.3.19 as restated
	£	£
Donations	1,138,861	1,011,146
Grants	<u>185,492</u>	<u>176,091</u>
	<u>1,324,353</u>	<u>1,187,237</u>

Grants received, included in the above, are as follows:

	31.3.20	31.3.19 as restated
	£	£
Collaborative projects	-	7,246
Dunhill	-	29,694
Chiron	-	962
Flourish	23,961	64,161
Catch me if you can (AHRC)	-	24,861
York	11,531	6,667
St Johns' Foundation	60,000	20,000
AT Newsletter	<u>90,000</u>	<u>22,500</u>
	<u>185,492</u>	<u>176,091</u>

**3. OTHER TRADING ACTIVITIES**

	31.3.20	31.3.19
	£	£
Consultancy and Other Income	<u>58,901</u>	<u>17,632</u>

**4. INVESTMENT INCOME**

	31.3.20	31.3.19
	£	£
Investment Income	<u>14,567</u>	<u>14,741</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

	31.3.20	31.3.19
	£	£
Product Sales	411,710	245,736
Royalties	<u>24,484</u>	<u>27,705</u>
	<u>436,194</u>	<u>273,441</u>

**6. RAISING DONATIONS AND LEGACIES**

	31.3.20	31.3.19
	£	£
Staff costs	<u>109,500</u>	<u>102,258</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 8) £	Totals £
Charitable Activity	<u>1,275,348</u>	<u>15,492</u>	<u>1,290,840</u>

**8. SUPPORT COSTS**

	Finance £	Other £	Governance costs £	Totals £
Other resources expended	2,294	60,553	59,759	122,606
Charitable Activity	<u>-</u>	<u>15,492</u>	<u>-</u>	<u>15,492</u>
	<u>2,294</u>	<u>76,045</u>	<u>59,759</u>	<u>138,098</u>

**9. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	31.3.20 £	31.3.19 £
Auditors' remuneration	6,700	6,500
Depreciation - owned assets	167,359	139,985
Other operating leases	31,524	15,949
Deficit on disposal of fixed assets	<u>2,000</u>	<u>6,300</u>

An increase in depreciation charge this year includes accelerated depreciation of leasehold improvements where the useful life has been remeasured.

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**11. STAFF COSTS**

	31.3.20	31.3.19
	£	£
Wages and salaries	698,185	714,274
Social security costs	68,185	72,257
Other pension costs	<u>138,845</u>	<u>131,444</u>
	<u>905,215</u>	<u>917,975</u>

**Key Management Personnel**

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the Charity. The total compensation paid to key management personnel for 4 members of staff (2019: 3 members of staff) for services provided to the Charity was £192,748 (2019: £181,322).

Designability participates in two contributory pension plans providing defined benefits based on final pensionable pay. The schemes are as follows:

**Local Government Pension Scheme.** The assets of the scheme are held separately from those of the Charity. The Charity does not have separate employee registration and is registered as part of the University of Bath for the purpose of the scheme. Accordingly, it is not possible to separately identify the assets and liabilities relating to the Charity for the purpose of Financial Accounting Reporting Standard 102 (FRS 102) disclosure and accordingly any FRS 102 surplus or deficit attributable to the Charity is not shown on the Balance Sheet.

**Universities Superannuation Scheme.** This is a mutual scheme and again, the assets and liabilities cannot be attributable to an employer and any surplus or deficit attributable to the Charity is not recognised on the Balance Sheet.

The schemes are therefore treated as defined contribution schemes in these financial statements as permitted by FRS 102.

The average monthly number of employees during the year was as follows:

	31.3.20	31.3.19
Admin/Management	7	6
Engineering	10	8
Promotions	-	1
Clinical	3	2
Fundraising	<u>3</u>	<u>2</u>
	<u>23</u>	<u>19</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

11. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.20	31.3.19
£70,001 - £80,000	<u>1</u>	<u>1</u>

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds	Project Funds	Research Funds	Total Funds as restated £
	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and legacies	474,979	578,667	133,591	1,187,237
<b>Charitable activities</b>				
Charitable Activity	273,441	-	-	273,441
Other trading activities	17,632	-	-	17,632
Investment income	<u>14,741</u>	<u>-</u>	<u>-</u>	<u>14,741</u>
<b>Total</b>	<b>780,793</b>	<b>578,667</b>	<b>133,591</b>	<b>1,493,051</b>
<b>EXPENDITURE ON</b>				
<b>Raising funds</b>				
Raising donations and legacies	102,258	-	-	102,258
Other trading activities	<u>7,885</u>	<u>-</u>	<u>-</u>	<u>7,885</u>
	<b>110,143</b>	<b>-</b>	<b>-</b>	<b>110,143</b>
<b>Charitable activities</b>				
Charitable Activity	618,819	434,855	132,594	1,186,268
Other	<u>122,389</u>	<u>-</u>	<u>-</u>	<u>122,389</u>
<b>Total</b>	<b>851,351</b>	<b>434,855</b>	<b>132,594</b>	<b>1,418,800</b>
Net gains on investments	<u>29,238</u>	<u>-</u>	<u>-</u>	<u>29,238</u>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(41,320)</b>	<b>143,812</b>	<b>997</b>	<b>103,489</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	<u>992,413</u>	<u>200,615</u>	<u>-</u>	<u>1,193,028</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>951,093</u></b>	<b><u>344,427</u></b>	<b><u>997</u></b>	<b><u>1,296,517</u></b>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**13. PRIOR YEAR ADJUSTMENT**

During the year, a review of multi-year funding agreements was undertaken to ensure that the revenue recognition criteria of grant income (Entitlement, Measurement and Probability of receipt) was captured in line with the Charities SORP (FRS102). It was identified that two agreements were non-conditional. Therefore the future year funding element should have been recognised in 2019 as entitlement existed upon signing of the agreement. A prior year adjustment of £42,500 has been made to increase Grant Income and Accrued Income (Debtors) to rectify this in line with the accounting standards.

No other adjustments have been made to comparative financial statements.

**14. TANGIBLE FIXED ASSETS**

	Long leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 April 2019	52,780	810,000	20,252	43,503	926,535
Additions	-	96,000	778	-	96,778
Disposals	-	(60,000)	-	(1,626)	(61,626)
At 31 March 2020	<u>52,780</u>	<u>846,000</u>	<u>21,030</u>	<u>41,877</u>	<u>961,687</u>
<b>DEPRECIATION</b>					
At 1 April 2019	6,336	503,900	10,820	38,085	559,141
Charge for year	40,580	122,000	2,105	2,674	167,359
Disposals	-	(58,000)	-	(280)	(58,280)
At 31 March 2020	<u>46,916</u>	<u>567,900</u>	<u>12,925</u>	<u>40,479</u>	<u>668,220</u>
<b>NET BOOK VALUE</b>					
At 31 March 2020	<u>5,864</u>	<u>278,100</u>	<u>8,105</u>	<u>1,398</u>	<u>293,467</u>
At 31 March 2019	<u>46,444</u>	<u>306,100</u>	<u>9,432</u>	<u>5,418</u>	<u>367,394</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**15. FIXED ASSET INVESTMENTS**

	Listed investments £
<b>MARKET VALUE</b>	
At 1 April 2019	507,507
Revaluations	<u>(13,573)</u>
At 31 March 2020	<u>493,934</u>
<b>NET BOOK VALUE</b>	
At 31 March 2020	<u>493,934</u>
At 31 March 2019	<u>507,507</u>

There were no investment assets outside the UK.

**16. STOCKS**

	31.3.20 £	31.3.19 £
Completed Wizzybugs and parts	<u>178,489</u>	<u>78,493</u>

**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20 £	31.3.19 as restated £
Trade debtors	50,295	40,541
Other debtors	27,462	40,529
Prepayments and accrued income	138,440	54,541
	<u>216,197</u>	<u>135,611</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.20	31.3.19
	£	£
Trade creditors	116,517	198,925
Other creditors	15,492	-
Accruals and deferred income	<u>21,525</u>	<u>24,675</u>
	<u>153,534</u>	<u>223,600</u>

**19. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.20	31.3.19
	£	£
Within one year	52,300	11,830
Between one and five years	209,320	21,320
In more than five years	<u>304,859</u>	<u>231,855</u>
	<u>566,479</u>	<u>265,005</u>

A lease of the property at the Wolfson Centre was entered into on 26 May 1995 and renegotiated on 23 April 2013. The annual rent is £5,596.50 (excluding VAT). The lease expires on 28 September 2067. There were no capital costs to the Charity.

The lease for the industrial unit (Unit 5, Victoria Park Business Centre, Midland Road, Bath BA1 3AX) was terminated on 10 February 2020.

Two new leases were signed during the year for 2 units (Units 1 & 2, Wells Road, Bath, BA2 3AP), on 2 December 2019 which now operate as the workshops and storage for the Charity. The lease expiry on both these agreements is December 2026.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

				31.3.20	31.3.19 as restated
	Unrestricted Funds £	Project Funds £	Research Funds £	Total Funds £	Total Funds £
Fixed assets	293,467	-	-	293,467	367,394
Investments	493,934	-	-	493,934	507,507
Current assets	663,016	290,729	4,168	957,913	645,216
Current liabilities	(153,534)	-	-	(153,534)	(223,600)
	<u>1,296,883</u>	<u>290,729</u>	<u>4,168</u>	<u>1,591,780</u>	<u>1,296,517</u>

**21. MOVEMENT IN FUNDS**

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
<b>Unrestricted funds</b>				
General Reserve	404,191	352,219	(200,689)	555,721
Operating Reserve	526,902	-	194,260	721,162
Innovation Reserve	20,000	-	-	20,000
	951,093	352,219	(6,429)	1,296,883
<b>Restricted funds</b>				
<b>Research funds</b>				
FLOURISH	997	1,505	-	2,502
Blood Pressure Monitor	997	1,505	-	2,502
	-	-	1,666	1,666
<b>Project Funds</b>				
Wizzybug Loan Scheme	297,628	(114,247)	-	183,381
Technology Gallery	20,000	(12,325)	-	7,675
AT Newsletter	16,667	(13,514)	-	3,153
Junior Dynamic Seat	9,895	(191)	-	9,704
BIRT	237	-	(237)	-
Engineering Design	-	1,424	-	1,424
Wizzybug Access	-	10,000	-	10,000
Infant Wheelchair	-	13,891	-	13,891
Wizzybug Redesign	-	33,465	-	33,465
Refurbishment Reserve	-	23,036	5,000	28,036
	<u>345,424</u>	<u>(56,956)</u>	<u>6,429</u>	<u>294,897</u>
<b>TOTAL FUNDS</b>	<u>1,296,517</u>	<u>295,263</u>	<u>-</u>	<u>1,591,780</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**21. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General Reserve	1,062,695	(696,903)	(13,573)	352,219
<b>Restricted funds</b>				
<b>Research funds</b>				
FLOURISH	23,961	(22,456)	-	1,505
Lloyds Register York Health	11,531	(11,531)	-	-
<b>Project Funds</b>				
Wizzybug Loan Scheme	534,678	(648,925)	-	(114,247)
Technology Gallery	14,000	(26,325)	-	(12,325)
AT Newsletter	-	(13,514)	-	(13,514)
Junior Dynamic Seat	5,000	(5,191)	-	(191)
Engineering Design	6,000	(4,576)	-	1,424
Wizzybug Access	10,000	-	-	10,000
Infant Wheelchair	90,000	(76,109)	-	13,891
Wizzybug Redesign	53,000	(19,535)	-	33,465
Refurbishment Reserve	23,150	(114)	-	23,036
	<u>771,320</u>	<u>(828,276)</u>	<u>-</u>	<u>(56,956)</u>
<b>TOTAL FUNDS</b>	<u>1,834,015</u>	<u>(1,525,179)</u>	<u>(13,573)</u>	<u>295,263</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.19 £
<b>Unrestricted funds</b>				
General Reserve	267,413	(41,320)	178,098	404,191
Operating Reserve	725,000	-	(198,098)	526,902
Innovation Reserve	-	-	20,000	20,000
	<u>992,413</u>	<u>(41,320)</u>	<u>-</u>	<u>951,093</u>
<b>Restricted funds</b>				
<b>Research funds</b>				
FLOURISH	-	997	-	997
<b>Project Funds</b>				
Wizzybug Loan Scheme	177,270	120,358	-	297,628
Technology Gallery	3,441	16,559	-	20,000
AT Newsletter	5,600	11,067	-	16,667
Junior Dynamic Seat	1,377	(4,409)	12,927	9,895
KITE 2	12,927	-	(12,927)	-
BIRT	-	237	-	237
	<u>200,615</u>	<u>144,809</u>	<u>-</u>	<u>345,424</u>
<b>TOTAL FUNDS</b>	<u>1,193,028</u>	<u>103,489</u>	<u>-</u>	<u>1,296,517</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**21. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General Reserve	780,793	(851,351)	29,238	(41,320)
<b>Restricted funds</b>				
<b>Research funds</b>				
CHIRON	962	(962)	-	-
Dunhill 2015	29,694	(29,694)	-	-
FLOURISH	64,161	(63,164)	-	997
Catch me if you can (AHRC)	24,861	(24,861)	-	-
Collaborative projects	7,246	(7,246)	-	-
Lloyds Register York Health	6,667	(6,667)	-	-
<b>Project Funds</b>				
Wizzybug Loan Scheme	501,546	(381,188)	-	120,358
Technology Gallery	30,000	(13,441)	-	16,559
AT Newsletter	25,000	(13,933)	-	11,067
Junior Dynamic Seat	12,073	(16,482)	-	(4,409)
BIRT	1,048	(811)	-	237
Design Prize	5,000	(5,000)	-	-
Engineering Design	4,000	(4,000)	-	-
	<u>712,258</u>	<u>(567,449)</u>	<u>-</u>	<u>144,809</u>
<b>TOTAL FUNDS</b>	<u>1,493,051</u>	<u>(1,418,800)</u>	<u>29,238</u>	<u>103,489</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**21. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
<b>Unrestricted funds</b>				
General Reserve	267,413	310,899	(22,591)	555,721
Operating Reserve	725,000	-	(3,838)	721,162
Innovation Reserve	-	-	20,000	20,000
	<u>992,413</u>	<u>310,899</u>	<u>(6,429)</u>	<u>1,296,883</u>
<b>Restricted funds</b>				
<b>Research funds</b>				
FLOURISH	-	2,502	-	2,502
Blood Pressure Monitor	-	-	1,666	1,666
<b>Project Funds</b>				
Wizzybug Loan Scheme	177,270	6,111	-	183,381
Technology Gallery	3,441	4,234	-	7,675
AT Newsletter	5,600	(2,447)	-	3,153
Junior Dynamic Seat	1,377	(4,600)	12,927	9,704
KITE 2	12,927	-	(12,927)	-
BIRT	-	237	(237)	-
Engineering Design	-	1,424	-	1,424
Wizzybug Access	-	10,000	-	10,000
Infant Wheelchair	-	13,891	-	13,891
Wizzybug Redesign	-	33,465	-	33,465
Refurbishment Reserve	-	23,036	5,000	28,036
	<u>200,615</u>	<u>87,853</u>	<u>6,429</u>	<u>294,897</u>
<b>TOTAL FUNDS</b>	<u><u>1,193,028</u></u>	<u><u>398,752</u></u>	<u><u>-</u></u>	<u><u>1,591,780</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

**21. MOVEMENT IN FUNDS - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General Reserve	1,843,488	(1,548,254)	15,665	310,899
<b>Restricted funds</b>				
<b>Research funds</b>				
CHIRON	962	(962)	-	-
Dunhill 2015	29,694	(29,694)	-	-
FLOURISH	88,122	(85,620)	-	2,502
Catch me if you can (AHRC)	24,861	(24,861)	-	-
Collaborative projects	7,246	(7,246)	-	-
Lloyds Register York Health	18,198	(18,198)	-	-
<b>Project Funds</b>				
Wizzybug Loan Scheme	1,036,224	(1,030,113)	-	6,111
Technology Gallery	44,000	(39,766)	-	4,234
AT Newsletter	25,000	(27,447)	-	(2,447)
Junior Dynamic Seat	17,073	(21,673)	-	(4,600)
BIRT	1,048	(811)	-	237
Design Prize	5,000	(5,000)	-	-
Engineering Design	10,000	(8,576)	-	1,424
Wizzybug Access	10,000	-	-	10,000
Infant Wheelchair	90,000	(76,109)	-	13,891
Wizzybug Redesign	53,000	(19,535)	-	33,465
Refurbishment Reserve	23,150	(114)	-	23,036
	<u>1,483,578</u>	<u>(1,395,725)</u>	<u>-</u>	<u>87,853</u>
<b>TOTAL FUNDS</b>	<u>3,327,066</u>	<u>(2,943,979)</u>	<u>15,665</u>	<u>398,752</u>

**22. RELATED PARTY DISCLOSURES**

For Administrative purposes Designability's staff payroll is processed through the University of Bath. Salary costs are invoiced by the University to Designability. Consumable items and stationery are charged at cost; the total of these charges is insignificant. There are 2 trustees (2019: 3) who work for the University but have no control or influence over the areas relating to these administrative functions.

**Trustees and Officers' liability insurance**

The Charity has effected Trustees' and Officers' Liability Insurance cover.