



Designability Charity Limited

**Annual Report and Financial Statements
Year Ended
31 March 2021**

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

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Designability Charity Limited

Annual Report of the Trustees for the Year Ended 31 March 2021

The Trustees present the Annual Report and audited financial statements for the year ended 31 March 2021.

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: info@designability.org.uk
Website: www.designability.org.uk

Designability Trustees

Libby Gawith	Appointed 2015 Chair (appointed to Board 2011)
Mark Humphriss	Appointed 2017 Vice Chair (resigned 2020)
Martin Bloomfield	Appointed 2017
Lynda Bowen	Appointed 2020
Paul Fairhurst	Appointed 2020
Oliver Foster	Appointed 2020 (Finance and Governance Committee Chair)
Martin Hunt	Appointed 2020
Emma Legg	Appointed 2020
Gavin Maggs	Appointed 2016
Ben Metcalfe	Appointed 2020
Paul Olomolaiye	Appointed 2017
Gordon Richardson	Appointed 2011 (resigned 2020)
Christos Vasilakis	Appointed 2014
Sam Whatley	Appointed 2020
Elizabeth White	Appointed 2012 (Products and Impact Committee Chair)
Mamie Wisker	Appointed 2017 (resigned 2021)

Company Secretary

Company Secretary: Mark Humphriss (resigned 2020)
Paul Fairhurst (appointed 2020)
Assistant Secretary: Kathleen Mackey

Chief Executive: Catharine Brown

Auditors: Moore, Chartered Accountants and Statutory Auditor, 30
Gay Street, Bath, BA1 2PA

Bankers: Barclays Bank UK PLC, 1 Churchill Place, London, E14 5HP

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'.

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 2021. 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 and provision of products. Its 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 throughout the design process to create and provide innovative product solutions unavailable 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. Designability publishes an annual Impact Report which sets out the key activities and achievements of the charity each year.

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.

Our current strategic focus is on the following activity:

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. A Governance Review is underway and will be completed in 2021-22 to ensure best practice is in place.

Governance – Subcommittees

During the year, the purpose and remit of the sub committees was reviewed, and new terms of reference agreed. There are two Board sub-committees:

Products and Impact Committee

This committee of Trustees, with Senior Management Team members in attendance, meets quarterly prior to Board meetings to provide advice and assurance on the activity of the charity that creates impact for disabled people, through its provision of products and services.

Finance and Governance Committee

This committee of Trustees, with Senior Management Team members in attendance, meets quarterly prior to Board meetings to provide assurance to the Board on the management and utilisation of resources (finances, people and premises) plus the governance of the charity.

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 which is reviewed annually.

Safeguarding

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 Adults' Safeguarding policies every two years or when amendments to policies or procedures are made. Established processes are in place for flagging and reporting safeguarding concerns or issues. During the year, there were no instances of safeguarding incidents flagged or reported for children or adults.

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, likelihood and the strength of mitigation activity.

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 9001:2015 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 2020-21, our risk management work focused on responding to the Covid-19 pandemic and ensuring business continuity and the health and safety of our staff and beneficiaries. We also identified risks from financial and medical device regulations and put plans in place to maintain compliance.

Extensive work has been carried out to ensure compliance with EU 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 by the Senior Management Team quarterly, by the Finance and Governance Committee half yearly, and with an annual review by the Trustee Board.

Detailed Covid-19 scenario planning was in place to mitigate as far as possible the impact of the pandemic on both the operations of the organisation and on financial stability. A Covid-19 specific risk register was created to manage key areas of risk, which was used throughout the year to measure the organisation's response to the pandemic. The Senior Management Team regularly reviewed the Government's guidance and restrictions to ensure that Designability followed the necessary rules and regulations. A rigorous and robust approach to infection protection controls were operated in line with national guidance. Covid-specific risk assessments were undertaken, particularly with regards to ensuring that our sites and clinical spaces were operating in a Covid-secure manner. Clinical and client-facing staff wore appropriate PPE in order to mitigate the risk of contracting or transmitting infection. The key measure that has formed the basis for Covid-secure practices has been 'Hands, Face, Space',

ensuring that the risk of transmission for both staff and service users has been mitigated as much as possible.

Plans for the future

Our key plans for the future include:

- Increasing the number of children on the Wizzybug Loan Scheme by making it easier for families to access the scheme, to bring the benefits of early mobility to as many children as possible
- Developing an innovative new product for disabled parents, which will increase their opportunity for independent mobility
- Tackling the inaccessibility of the public infrastructure for charging an electric car, engaging with disabled drivers to design best practice on street charge points
- Investing in internal systems and processes to increase efficiency and effectiveness, and build a solid foundation for growth.

Financial Review

The Board of Trustees are pleased with the financial performance of the Charity this year. A financial surplus has been achieved in year following planned controlled expenditure due to the impact of Covid-19 restrictions and planned delays in spend on operational projects. Income has increased on the previous year despite the challenging environment due to the continued generosity of our donors and supporters, and the underlying ongoing position is strong.

Financial effect of significant events

The Finance and Governance Committee review financial performance on a quarterly basis. The Trustees continue to value the 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 are confident that any factors which might affect our future financial performance have been documented in our risk register, along with mitigating actions.

The ongoing Covid-19 pandemic remains a significant factor likely to affect future financial performance, given the uncertainty that exists for the year ahead for both the UK and global economy, and potential increased competition from other charities where operations have been more severely impacted by the pandemic. Due to the strong relationships we have with current funders, whether trusts, foundations or other organisations, and the well-established Covid-secure working environment, Designability can continue to operate effectively and achieve our charitable aims and as such 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 from a wide range of supporters, 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 on page 11.

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, Head of Finance and the Head of Design and Engineering (for the period under review). The pay of senior staff is reviewed annually by the Chair and Chairs of the Subcommittees. 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 2021, the total employment benefits of key management personnel (including NI and pension contributions) are detailed in note 11 to the financial statements.

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. This is based on budgeted expenditure and has therefore increased from prior year to reflect our increasing activities. The Trustees support this increase given the increased risk to income outlined above.

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. For 2020-21, the Board has decided to increase the Innovation Fund to ensure Designability can deliver high quality innovation and design in the year. This includes expenditure on our Wheelchair Baby Carrier, which will transform the lives of disabled parents.

The Refurbishment Reserve exists to provide funding for refurbishment of Designability premises. It is planned that this will form part of the funding to create a new clinical space in our existing premises specifically designed for families to come and receive their Wizzybugs.

The Trustees have also decided to create a Systems and IT Development fund in order to ensure funding is available for planned investment for our infrastructure and provide a solid foundation for growth. This will include a review of systems, IT infrastructure, databases and software and investment where required to enhance our processes and build a solid, efficient internal platform for the future.

The General Reserve consists of the balance of any unrestricted funds that are not designated in the Operating Reserve, the Innovation Reserve or the Systems and IT Reserve. The General Reserve is being maintained at a higher level than in previous years. This is due to careful management of spend in year to mitigate against any decrease in expected income resulting from the effects of the pandemic on funders' ability to donate, as well as a result of delays in planned investment spend due to Covid-19 outbreak.

The Trustees reviewed the level of designated funds at 31 March 2021 and confirm that the Reserves Policy has been met. The balance on designated operating reserve as of 31 March 2021 was **£862,294** (note 20).

	Value as of 31 March 2021	Purpose
Restricted funds	£381,883	Funds for Wizzybug Loan Scheme and other allocated projects including the Refurbishment Reserve
General Reserve - Unrestricted	£490,909	Unrestricted reserves
Innovation Reserve - Designated	£115,000	Designated funds – to support innovation and new product development projects
Systems and IT Development Reserve	£70,000	To fund investment in IT infrastructure and systems
Operating Reserve - Designated	£862,294	Funds set aside adequate to cover six months' running costs and refurbishment of Wizzybugs between loans

At 31 March 2021, the Charity had free reserves (unrestricted reserves that are not functional fixed assets) of £310,442, which form part of the General Reserve above (2020: £262,254).

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. During the year, the Board included 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:

Ben Metcalfe	Appointed by the University of Bath
Christos Vasilakis	Appointed by the University of Bath
Paul Olomolaiye	Appointed by the University of the West of England
Elizabeth White	Appointed by the Bath and North East Somerset, Swindon and Wiltshire Clinical Commissioning Group

The Chair, Chairs of the Subcommittees and the 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.

During the year under review six new trustees were appointed, replacing four who had come to the end of their term of office in 2019, one whose term of office ended in 2020 and one who resigned.

The Chair of Trustees extended her term of office by one year in order to ensure continuity during the Covid-19 pandemic. She will step down in 2021 and recruitment will take place for her successor. We thank her for her 10 years' service.

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 11th October 2021 and signed on its behalf by:

P Fairhurst
Trustee and Company Secretary

Annual Report of the Management Team

Future Plans

Designability has ambitious plans for the future. We know that our existing products have potential to help many more disabled people, and our new products in the pipeline will fill gaps in the provision of equipment which helps disabled people with the challenges of their daily lives.

We plan to increase significantly the number of disabled children who benefit from the independent mobility that Wizzybug provides. Our aim is to double the number of children who join the Wizzybug Loan Scheme each year, by creating partnerships with other organisations, to raise awareness and make it easier for families to access the scheme. As we celebrate 10 years' of the Wizzybug Loan Scheme reaching the milestone of helping 1,000 children, we plan to reach the next 1,000 disabled children in half the time, by 2026.

We are also developing an innovative new product for disabled parents, the Wheelchair Baby Carrier, which will increase their opportunity for independent mobility. A prototype will be tested with disabled people in the year ahead, and in the following year we will begin manufacturing and launch the new product via a second loan scheme, ensuring disabled people can benefit from our equipment regardless of their ability to pay.

As well as helping disabled people directly through products we make and design, an important part of our strategy is to partner with others to ensure their products are accessible. Our focus for this area of work is around the growing take up of electric cars. Research has shown that up to half of all disabled drivers will be reliant on public charging infrastructure to charge their electric car in the future – yet the design of charge points means most are largely inaccessible to disabled people. We will be working in partnership with others to understand the challenges disabled people face in using electric cars, and providing design solutions which ensure their needs are taken into account.

To enable these initiatives to happen, we will be investing in internal systems and processes to increase efficiency and effectiveness, and build a solid foundation for growth. A number of systems changes will be implemented in the next two years which ensure that the charity can continue to grow.

A. Service Provision

Early Years' Powered Mobility and the Wizzybug Loan Scheme

The Wizzybug Loan Scheme has continued to expand, despite the impact of Covid-19. The service was temporarily suspended in April 2020; however, delivery of the loan scheme was resumed in August 2020 and 118 new children joined the loan scheme during the rest of the financial year. The number of appointments per month is growing, with this activity supported by increased staffing capacity, including the addition of a Lead Occupational Therapist, an additional Occupational Therapist and two additional Workshop Technicians. The partnerships with the William Merritt Centre in Leeds and the Mae Murray Foundation in Northern Ireland continue to be a key part of our service delivery.

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 coming years, we will be testing and launching a number of innovations in both the product design and the free loan scheme to welcome many more children across the UK onto it. Designability will be supported to achieve this

planned expansion by a wide range of partnerships, including an ongoing partnership with Motability, the Charity.

B. Products

New product development

We aim 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, and during this year we have made good 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, the Wheelchair Baby Carrier, is being developed in close collaboration with those who have faced, or are about to face, this challenge, to establish key requirements and understand technical feasibility. In March, we designed a fully functioning prototype which will be tested with these users in the coming year.

In the future, we will undertake a significant programme of engagement with disabled people to understand the gaps in provision of products which help their mobility challenges, which will lead to further innovation in the years ahead.

Product Sales

Thousands of our products are sold every 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. 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.

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.

In January 2021, we began an exciting new 18 month research project in partnership with national charity Motability to create a new industry standard for accessible electric vehicle charging. The UK government plans to ban new sales of diesel and petrol vehicles in 2030, but research shows that around 1.35 million disabled drivers will be wholly reliant on the public charging infrastructure. Currently there are no accessibility requirements for EV charge points meaning that this technology is largely inaccessible and unusable for disabled drivers. This significant partnership with Motability, the

Charity and the government's Office for Zero Emission Vehicles (OZEV) will see Designability engage with disabled users to define their accessibility requirements and set the standards for accessible EV charging in the future.

D. Education

University of Bath User-Centred Design Module

We led the user-centred design module for third year Mechanical Engineering students at the University of Bath in October 2020. 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. 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 module continues to grow in popularity and this year was largest attendance yet. Our team redesigned the course content to be delivered as online seminars and meetings - it was highly challenging, but a great success.

Three Ways School / Leonard Cheshire 'Change Now' programme

We took part in the 'Change Now' programme run by the Leonard Cheshire charity to offer a workplace encounter for disabled students from Three Ways School, Bath. This initiative is for 13-15 year olds, many of whom have no experience of a workplace, to help them prepare for life after they leave school. We originally planned a visit in person for the young people to the Designability workshop but, after the first lockdown, we were able to re-imagine this as an online tour and interview with one of our Design Engineers. We were pleased to be able to expand the attendance to a much larger number of children and they were hugely enthusiastic to learn about the work they we do.

Publications and Awards

Thomas Williams published a paper with honourable mention - *Augmented Reality and Older Adults: A Comparison of Prompting Types* – May 2021.

Link: <https://dl.acm.org/doi/10.1145/3411764.3445476>

Thomas Williams received a Doctoral Recognition Award - Highly commended - June 2020 from the University of Bath.

E. Premises

The workshop which opened in early 2020 has been the hub of Designability's activity this year, where we continue all of our workshop activities and provide space to build Wizzybugs for young children, engineer prototypes for new products and test and manufacture our new designs.

As detailed below, we have also taken a lease on a separate site in Bath on a temporary basis this year in order to continue to meet service users face to face in a Covid-secure manner, away from our main site at the Royal United Hospital Bath. We will continue to use this site during the year ahead, to ensure business continuity.

F. Regulatory Compliance

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

Medical Device Regulation (MDR)

Wizybug 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 Wizybug Loan Scheme. All measures introduced have been reviewed by an external MDR-specialist consultancy to ensure 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.

G. Response to Covid-19 outbreak

In response to the lockdown restrictions nationally, Designability temporarily closed our workplaces to all staff in March 2020. Manufacturing operations were suspended between March and May. Although this had a temporary impact on output, our manufacturing unit was able to reopen as restrictions were eased in May 2020, ensuring that manufacturing operations were able to return to full capacity quickly. Wizybug handover appointments were restarted in August 2020. In order to restart clinical appointments, Designability took on a temporary lease at St Martin's Hospital in Bath, through NHS Property Services. This allowed the organisation to restart its key service the Wizybug Loan Scheme. Both the Workshop at Wells Road, and the rooms in St Martin's Hospital continue to be managed in a way that adheres to the Government's guidelines on Covid-secure workplaces.

In November 2020, we made the difficult decision to permanently close the Memory Technology Gallery service based at the Royal United Hospital, Bath. The service explained the products available on the market to carers to help them manage the effects of their loved one living with dementia. This gallery relied on face to face working, both for the product demonstrations themselves and promoting the service by visiting hospitals wards and meeting community groups. Following the Covid-19 outbreak, our ability to deliver this service had been very limited and face to face contacts were suspended to follow Government guidelines.

Covid-19 has had an impact on Designability's income; we have mitigated this impact through our strong relationships with a number of Trusts and Foundations, as well as effective distribution partnerships for product sales. Income from product sales has been adversely affected for the first part of the financial year but have started to return to normal levels as restrictions have eased. Any financial impact on income has thus far been mitigated very effectively through appropriate controlling of expenditure.

H. Operations, IT and People

A significant project is underway to improve the internal efficiency of the organisation through improved systems and processes, in order to build a solid foundation for future growth. The project was delayed due to the need to respond to the Covid-19 pandemic, but initial scoping is now underway to review systems and processes across the organisation, particularly in our use of IT systems which will facilitate greater remote working in the future. We are moving to a hybrid working model, where staff work both in our premises and remotely, and need to ensure our IT and systems is suitable for these new ways of working. In year, we have focussed on our Equality, Diversity and Inclusion policies.

I. Summary of our Financial Performance

The Charity's financial performance this year was strong with a year-end surplus of £328,306.

INCOME

Donations

Voluntary income from donations increased by 18% this year to £1,562,264 (2019-20: £1,324,353). The majority of donations received were from Charitable Trusts and Foundations which account for almost 96% of the total, reflective of the limited opportunities for fundraising within income streams such as community and events during 2019-20 due to Covid-19 restrictions. Despite this, we did see an increase in individual giving thanks to a public-facing appeal to help reduce the waiting time for families accepted onto the Wizzybug Loan Scheme.

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 Chartered Institute of Fundraising, giving all members of staff further access to best practice advice, support and training.

Our customer feedback process 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.

Sales & royalties

Product sales and royalties decreased to £354,360 (2019-20: £436,194) due to a decrease in product sales in the first half of the financial year due to the pandemic.

EXPENDITURE

Total expenditure this year was £1,696,156 (2019/20: £1,525,179). The increase has been minimised following careful control of expenditure in light of uncertainty around the impact of the pandemic and the delay of some spend to the next financial year.

Cost of raising funds

The cost of raising funds decreased to £30,612 (2019-20: £109,500) for the reporting period, reflecting changes made in response to the broader context outlined above. These include restructuring within the Fundraising Team and a reallocation of some staff costs to Management, providing an opportunity to review and invest in securing funds in the next financial year to further support our developing strategy.

Summary

In summary, 2020-21 was another positive year and Designability finishes the year in a strong financial position. Due to continued responsible management of expenditure, and increasingly successful fundraising, the organisation is well placed to invest in growth 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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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 charitable 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 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 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 the audit:

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

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

- 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 a Strategic Report or in preparing the Report of the Trustees.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date.....

Designability Charity Limited (Registered number: 933932)

Statement of Financial Activities for the Year Ended 31 March 2021

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	627,882	934,382	1,562,264	1,324,353
Charitable activities					
Charitable Activity	5	354,360	-	354,360	436,194
Other trading activities	3	593	-	593	58,901
Investment income	4	<u>14,474</u>	<u>-</u>	<u>14,474</u>	<u>14,567</u>
Total		997,309	934,382	1,931,691	1,834,015
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	6	30,612	-	30,612	109,500
Other trading activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,233</u>
		30,612	-	30,612	111,733
Charitable activities					
Charitable Activity	7	590,352	909,307	1,499,659	1,290,840
Other		<u>165,885</u>	<u>-</u>	<u>165,885</u>	<u>122,606</u>
Total		786,849	909,307	1,696,156	1,525,179
Net gains/(losses) on investments		<u>92,771</u>	<u>-</u>	<u>92,771</u>	<u>(13,573)</u>
NET INCOME		303,231	25,075	328,306	295,263
Transfers between funds	20	<u>(61,911)</u>	<u>61,911</u>	<u>-</u>	<u>-</u>
Net movement in funds		241,320	86,986	328,306	295,263
RECONCILIATION OF FUNDS					
Total funds brought forward		1,296,883	294,897	1,591,780	1,296,517
TOTAL FUNDS CARRIED FORWARD		<u>1,538,203</u>	<u>381,886</u>	<u>1,920,086</u>	<u>1,591,780</u>

CONTINUING OPERATIONS - All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Designability Charity Limited (Registered number: 933932)

Statement of Financial Position 31 March 2021

	Notes	31.3.21 £	31.3.20 £
FIXED ASSETS			
Tangible assets	13	180,467	293,467
Investments	14	<u>586,705</u>	<u>493,934</u>
		767,172	787,401
CURRENT ASSETS			
Stocks	15	199,543	178,489
Debtors	16	151,570	216,197
Cash at bank		<u>959,437</u>	<u>563,227</u>
		1,310,550	957,913
CREDITORS			
Amounts falling due within one year	17	<u>(157,636)</u>	<u>(153,534)</u>
NET CURRENT ASSETS		<u>1,152,914</u>	<u>804,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,920,086	1,591,780
NET ASSETS		<u>1,920,086</u>	<u>1,591,780</u>
FUNDS	20		
Unrestricted funds		1,538,203	1,296,883
Restricted funds		<u>381,883</u>	<u>294,897</u>
TOTAL FUNDS		<u>1,920,086</u>	<u>1,591,780</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 and authorised for issue on 11th October 2021 and were signed on its behalf by:

.....
P Fairhurst – Trustee and Company Secretary

The notes form part of these financial statements

Designability Charity Limited

Statement of Cash Flows for the Year Ended 31 March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>485,788</u>	<u>212,980</u>
Net cash provided by operating activities		<u>485,788</u>	<u>212,980</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(104,052)	(96,778)
Sale of tangible fixed assets		-	1,346
Dividends received		<u>14,474</u>	<u>14,567</u>
Net cash used in investing activities		<u>(89,578)</u>	<u>(80,865)</u>
Change in cash and cash equivalents in the reporting period		396,210	132,115
Cash and cash equivalents at the beginning of the reporting period		<u>563,227</u>	<u>431,112</u>
Cash and cash equivalents at the end of the reporting period		<u>959,437</u>	<u>563,227</u>

The notes form part of these financial statements

Designability Charity Limited

Notes to the Statement of Cash Flows for the Year Ended 31 March 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.3.21	31.3.20
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	328,306	295,263
Adjustments for:		
Depreciation charges	217,052	167,358
(Gain)/losses on investments	(92,771)	13,573
Loss on disposal of fixed assets	-	2,000
Dividends received	(14,474)	(14,567)
(Increase) in stocks	(21,054)	(99,996)
Decrease/(increase) in debtors	64,627	(80,586)
Increase/(decrease) in creditors	<u>4,102</u>	<u>(70,065)</u>
Net cash provided by operations	<u><u>485,788</u></u>	<u><u>212,980</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
Net cash			
Cash at bank	<u>563,227</u>	<u>396,210</u>	<u>959,437</u>
	<u>563,227</u>	<u>396,210</u>	<u>959,437</u>
Total	<u><u>563,227</u></u>	<u><u>396,210</u></u>	<u><u>959,437</u></u>

The notes form part of these financial statements

Designability Charity Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

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

The Trustees are confident the charity has sufficient resources to meet its obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements. The financial statements are therefore prepared on a 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.

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 59% 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
Wizzybug	- 33% on cost
Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

Wizzybug refers to our fleet of Wizzybugs in use or available for the loan scheme. Wizzybugs are capitalised at cost of parts and direct labour. Each unit is depreciated over a three year period. Parts not yet used and Wizzybug built for sale but not yet despatched are included in Stocks.

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.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives 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.

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 or recoverable amount. 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.

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.

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 forecast monthly operating costs includes all recurring, predictable expenses such as salaries, benefits, office costs, travel and ongoing professional services. Expenditure on 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 and Governance Committee and 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.

Systems and IT Reserve

The Systems and IT Development Reserve is in place to allow for review of our systems and investment in our IT infrastructure, databases and software to enhance our processes and build a solid internal platform for growth.

General Reserve

The General Reserve consists of the balance of any unrestricted funds that are not designated in the Operating, Innovation or Systems and IT Reserves.

Refurbishment Reserve

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

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 and Systems and IT 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

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

2. DONATIONS AND LEGACIES

	31.3.21	31.3.20
	£	£
Donations	1,534,918	1,138,861
Grants	<u>27,346</u>	<u>185,492</u>
	<u>1,562,264</u>	<u>1,324,353</u>

Grants received or repaid where the project has been completed, included in the above, are:

	31.3.21	31.3.20
	£	£
Flourish	(1,230)	23,961
York	(3,576)	11,531
Covid Job Retention Scheme grant (furlough)	31,354	-
Sipa 2	2,464	-
Other grants	<u>(1,666)</u>	<u>150,000</u>
	<u>27,346</u>	<u>185,492</u>

Government Grants

During the year the Charity received a government grant in the form of the Coronavirus Job Retention Scheme (CJRS).

Return of grants and donations

During the year, unspent funds for some projects previously recognised in income were returned back to the donor or grant provider. This was the case where projects had been completed but for less than the original forecast cost or our involvement has come to an end.

3. OTHER TRADING ACTIVITIES

	31.3.21	31.3.20
	£	£
Consultancy and Other Income	<u>593</u>	<u>58,901</u>

4. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Investment Income (dividends)	<u>14,474</u>	<u>14,567</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.21	31.3.20
	Activity	£	£
Product Sales	Charitable Activity	326,703	411,710
Royalties	Charitable Activity	<u>27,657</u>	<u>24,484</u>
		354,360	436,194

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

6. RAISING DONATIONS AND LEGACIES

	31.3.21	31.3.20
	£	£
Staff costs	<u>30,612</u>	<u>109,500</u>

7. CHARITABLE ACTIVITIES COSTS

		Direct Costs £
Charitable Activity		<u>1,499,659</u>

8. SUPPORT COSTS

	Finance £	Other £	Governance costs £	Totals £
Other resources expended	<u>1,699</u>	<u>109,447</u>	<u>54,739</u>	<u>165,885</u>

9. NET INCOME

Net income is stated after charging/(crediting):

	31.3.21	31.3.20
	£	£
Auditors' remuneration	6,700	6,700
Depreciation - owned assets	217,052	167,359
Other operating leases	11,932	31,524
Loss on disposal of fixed assets	<u>-</u>	<u>2,000</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

There were no Trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

11. STAFF COSTS

	31.3.21	31.3.20
	£	£
Wages and salaries	741,853	698,185
Social security costs	72,124	68,185
Other pension costs	<u>138,622</u>	<u>138,845</u>
	952,599	905,215

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 5 members of staff (2020: 4 members of staff) for services provided to the Charity was £275,030 (2020: £192,748).

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 are permitted by FRS 102.

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

	31.3.21	31.3.20
Management	5	3
Design and Engineering	10	10
Fundraising and Promotions	2	3
Wizzybug Loan Scheme	5	4
Finance and Administration	<u>2</u>	<u>3</u>
	<u>24</u>	<u>23</u>

The above breakdown has been amended from prior year to better reflect our organisational structure and activities of staff.

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

	31.3.21	31.3.20
£70,001 - £80,000	1	1

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – 2019/20

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	553,033	771,320	1,324,353
Charitable activities			
Charitable Activity	436,194	-	436,194
Other trading activities	58,901	-	58,901
Investment income	<u>14,567</u>	<u>-</u>	<u>14,567</u>
Total	1,062,695	771,320	1,834,015
 EXPENDITURE ON			
Raising funds			
Raising donations and legacies	109,500	-	109,500
Other trading activities	<u>2,233</u>	<u>-</u>	<u>2,233</u>
	111,733	-	111,733
Charitable activities			
Charitable Activity	462,564	828,276	1,290,840
Other	<u>122,606</u>	<u>-</u>	<u>122,606</u>
Total	696,903	828,276	1,525,179
Net gains/(losses) on investments	<u>(13,573)</u>	<u>-</u>	<u>(13,573)</u>

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
NET INCOME/(EXPENDITURE)	352,219	(56,956)	295,263
Transfers between funds	<u>(6,429)</u>	<u>6,429</u>	<u>-</u>
Net movement in funds	345,790	(50,527)	295,263
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>951,093</u>	<u>345,424</u>	<u>1,296,517</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>1,296,883</u></u>	<u><u>294,897</u></u>	<u><u>1,591,780</u></u>

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Wizzybug £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2020	52,780	846,000	21,030	41,877	961,687
Additions	-	84,000	1,084	18,968	104,052
Disposals	<u>-</u>	<u>(26,000)</u>	<u>-</u>	<u>-</u>	<u>(26,000)</u>
At 31 March 2021	<u>52,780</u>	<u>904,000</u>	<u>22,114</u>	<u>60,845</u>	<u>1,039,739</u>
DEPRECIATION					
At 1 April 2020	46,916	567,900	12,925	40,479	668,220
Charge for year	5,864	203,080	2,213	5,895	217,052
Eliminated on disposal	<u>-</u>	<u>(26,000)</u>	<u>-</u>	<u>-</u>	<u>(26,000)</u>
At 31 March 2021	<u>52,780</u>	<u>744,980</u>	<u>15,138</u>	<u>46,374</u>	<u>859,272</u>
NET BOOK VALUE					
At 31 March 2021	<u><u>-</u></u>	<u><u>159,020</u></u>	<u><u>6,976</u></u>	<u><u>14,471</u></u>	<u><u>180,467</u></u>
At 31 March 2020	<u><u>5,864</u></u>	<u><u>278,100</u></u>	<u><u>8,105</u></u>	<u><u>1,398</u></u>	<u><u>293,467</u></u>

Wizzybug represents our fleet of Wizzybugs in use on or available for the loan scheme.

Change in accounting estimate

During the year the Trustees reviewed the lifespan of a typical Wizzybug on the loan scheme. This policy review has led to a change in the estimated useful life of a Wizzybug from 5 years to 3 years. The accounting estimate per note 1 has been updated to reflect this change.

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2020	493,934
Revaluation (fair value)	<u>92,771</u>
At 31 March 2021	<u>586,705</u>
NET BOOK VALUE	
At 31 March 2021	<u>586,705</u>
At 31 March 2020	<u>493,934</u>

No investments were held outside the UK.

Cost or valuation at 31 March 2021 is represented by:

	Listed investments £
Valuation in 2021	586,705

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

	31.3.21	31.3.20
15. STOCKS		
	£	£
Parts and completed Wizzybugs for sale	<u>199,543</u>	<u>178,489</u>
16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	£	£
Trade debtors	33,236	50,295
Other debtors	29,599	27,462
Prepayments and accrued income	<u>88,735</u>	<u>138,440</u>
	<u>151,570</u>	<u>216,197</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	£	£
Trade creditors	123,491	116,517
Other creditors	12,620	15,492
Accruals and deferred income	<u>21,525</u>	<u>21,525</u>
	<u>157,636</u>	<u>153,534</u>
18. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	£	£
Within one year	52,863	52,300
Between one and five years	222,452	209,320
In more than five years	<u>326,572</u>	<u>304,859</u>
	<u>601,887</u>	<u>566,479</u>

A lease of the property at the Wolfson Centre was entered into on 26 May 1995 and renegotiated on 23 April 2013. The lease expires on 28 September 2067. There were no capital costs to the Charity.

Two leases were signed for two 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.

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
Fixed assets	21,447	159,020	180,467	293,467
Investments	586,705	-	586,705	493,934
Current assets	1,087,687	222,863	1,310,550	957,913
Current liabilities	<u>(157,636)</u>	<u>-</u>	<u>(157,636)</u>	<u>(153,534)</u>
	<u>1,538,203</u>	<u>381,883</u>	<u>1,920,086</u>	<u>1,591,780</u>

20. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
Unrestricted funds				
General Reserve	555,721	303,231	(368,043)	490,909
Operating Reserve	721,162	-	141,132	862,294
Innovation Reserve	20,000	-	95,000	115,000
Systems and IT Reserve	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>
	1,296,883	303,231	(61,911)	1,538,203
Restricted funds				
Flourish Autonomous Vehicles	2,502	(2,574)	72	-
Wizzybug Loan Scheme	183,381	110,556	-	293,937
Technology Gallery	7,675	(10,173)	2,498	-
AT Newsletter	3,153	(1,481)	-	1,672
Junior Dynamic Seat	9,704	-	(5,000)	4,704
Engineering Design	1,424	(4,000)	2,576	-
Lloyds Register York Health	-	(3,576)	3,576	-
Wizzybug Access	10,000	(3,589)	-	6,411
Wheelchair Baby Carrier	13,891	(68,975)	55,084	-
Wizzybug Redesign	33,465	(25,347)	-	8,118
Blood Pressure Monitor	1,666	(1,666)	-	-
Refurbishment Reserve	28,036	-	-	28,036
Accessible EV Charging	-	39,005	-	39,005
University of Strathclyde	<u>-</u>	<u>(3,105)</u>	<u>3,105</u>	<u>-</u>
	<u>294,897</u>	<u>25,075</u>	<u>61,911</u>	<u>381,883</u>
TOTAL FUNDS	<u>1,591,780</u>	<u>328,306</u>	<u>-</u>	<u>1,920,086</u>

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

20. 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 £
Unrestricted funds				
General Reserve	997,309	(786,849)	92,771	303,231
Restricted funds				
Flourish Autonomous Vehicles	(1,230)	(1,344)	-	(2,574)
Wizzybug Loan Scheme	807,536	(696,980)	-	110,556
Technology Gallery	-	(10,173)	-	(10,173)
AT Newsletter	7,500	(8,981)	-	(1,481)
Engineering Design	-	(4,000)	-	(4,000)
Lloyds Register York Health	(3,576)	-	-	(3,576)
Wizzybug Access	-	(3,589)	-	(3,589)
Wheelchair Baby Carrier	-	(68,975)	-	(68,975)
Wizzybug Redesign	2,000	(27,347)	-	(25,347)
Blood Pressure Monitor	(1,666)	-	-	(1,666)
Accessible EV Charging	90,000	(50,995)	-	39,005
University of Strathclyde	2,464	(5,569)	-	(3,105)
Government grant - CJRS (Furlough)	31,354	(31,354)	-	-
	<u>934,382</u>	<u>(909,307)</u>	<u>-</u>	<u>25,075</u>
TOTAL FUNDS	<u><u>1,931,691</u></u>	<u><u>(1,696,156)</u></u>	<u><u>92,771</u></u>	<u><u>328,306</u></u>

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
Unrestricted funds				
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
Restricted funds				
Flourish Autonomous Vehicles	997	1,505	-	2,502
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
Wheelchair Baby Carrier	-	13,891	-	13,891
Wizzybug Redesign	-	33,465	-	33,465
Blood Pressure Monitor	-	-	1,666	1,666
Refurbishment Reserve	-	23,036	5,000	28,036
	345,424	(56,956)	6,429	294,897
TOTAL FUNDS	1,296,517	295,263	-	1,591,780

Designability Charity Limited

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds for 2019/20, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Reserve	1,062,695	(696,903)	(13,573)	352,219
Restricted funds				
Flourish Autonomous Vehicles	23,961	(22,456)	-	1,505
Wizybug 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
Lloyds Register York Health	11,531	(11,531)	-	-
Wizybug Access	10,000	-	-	10,000
Wheelchair Baby Carrier	90,000	(76,109)	-	13,891
Wizybug 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>
TOTAL FUNDS	<u>1,834,015</u>	<u>(1,525,179)</u>	<u>(13,573)</u>	<u>295,263</u>

21. 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 (2020: 2) 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.

Designability Charity Limited

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS				
Donations and legacies				
Donations	627,882	907,036	1,534,918	1,138,861
Grants	<u>-</u>	<u>27,346</u>	<u>27,346</u>	<u>185,492</u>
	627,882	934,382	1,562,264	1,324,353
Other trading activities				
Consultancy and Other Income	593	-	593	58,901
Investment income				
Investment Income	14,474	-	14,474	14,567
Charitable activities				
Product Sales	326,703	-	326,703	411,710
Royalties	<u>27,657</u>	<u>-</u>	<u>27,657</u>	<u>24,484</u>
	<u>354,360</u>	<u>-</u>	<u>354,360</u>	<u>436,194</u>
Total incoming resources	997,309	934,382	1,931,691	1,834,015
EXPENDITURE				
Raising donations and legacies				
Wages	30,612	-	30,612	109,500
Other trading activities				
Bad debts	-	-	-	2,233
Charitable activities				
Wages	5,014	706,227	711,241	588,685
Social security	72,124	-	72,124	68,185
Pensions	138,622	-	138,622	138,845
Materials and equipment	317,246	-	317,246	246,652
Postage and stationery	26,017	-	26,017	32,940
Travel and conferences	2,841	-	2,841	19,102
Sub Contractor - Chiron	-	-	-	10,845
Administration	4,104	-	4,104	736
Recruitment and HR	10,412	-	10,412	-
Improvements to property	5,864	-	5,864	40,580
Building Wizzybugs	-	203,080	203,080	121,999
Fixtures and fittings	2,213	-	2,213	2,105
Computer equipment	5,895	-	5,895	2,674
Loss on sale of fixed asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
	590,352	909,307	1,499,659	1,275,348

Designability Charity Limited

Detailed Statement of Financial Activities for the Year Ended 31 March 2021

	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
Support costs				
Finance				
Bank charges	1,699	-	1,699	2,294
Other				
Rent	11,932	-	11,932	31,524
Premises costs	79,549	-	79,549	20,972
Travel and conferences	7,734	-	7,734	20,624
Administration	<u>10,232</u>	<u>-</u>	<u>10,232</u>	<u>2,925</u>
	109,447	-	109,447	76,045
Governance costs				
Auditors' remuneration	6,700	-	6,700	6,700
Legal fees and compliance	<u>48,039</u>	<u>-</u>	<u>48,039</u>	<u>53,059</u>
	<u>54,739</u>	<u>-</u>	<u>54,739</u>	<u>59,759</u>
Total resources expended	<u>786,849</u>	<u>909,307</u>	<u>1,696,156</u>	<u>1,525,179</u>
Net income before gains and losses	210,460	25,075	235,535	308,836
Realised recognised gains and losses				
Unrealised gain on investment assets	<u>92,771</u>	<u>-</u>	<u>92,771</u>	<u>(13,573)</u>
Net income	<u><u>303,231</u></u>	<u><u>25,075</u></u>	<u><u>328,306</u></u>	<u><u>295,263</u></u>