



Designability Charity Limited

**Annual Report and Financial Statements
Year Ended
31 March 2022**

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

Designability Charity Limited
Annual Report of the Trustees for the Year Ended 31 March 2022

The Trustees present the Annual Report and audited financial statements for the year ended 31 March 2022.

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: 01225 824103
Email: info@designability.org.uk
Website: www.designability.org.uk

Designability Trustees

Libby Gawith	Appointed 2015 Chair (resigned 2021)
Jerry Marwood	Appointed 2021 Chair
Martin Bloomfield	Appointed 2018
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 (resigned 2022)
Christos Vasilakis	Appointed 2014 (resigned 2021)
Sam Whatley	Appointed 2020
Elizabeth White	Appointed 2012 (Products and Impact Committee Chair)
Mamie Wisker	Appointed 2017 (resigned 2021)
Catherine Bailey	Appointed 2022

Company Secretary

Company Secretary: Paul Fairhurst
Assistant Secretary: Kathleen Mackey

President: Rt Hon. Lord Foster of Bath, Don Foster

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 2022. 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.

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.

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 user-led design and provision of products, involving disabled people throughout the design process and providing innovative product solutions. Its vision is a future where every disabled person has the products they want to live the life they choose.

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 aim 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.

Plans for the future

Our key plans for the future include:

- Continuing to increase 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;
- Launch of our latest and much-demanded innovation, a wheelchair attachable pushchair, to transform the lives of disabled parents and carers;
- Expanding on our work to tackle the inaccessibility of the public infrastructure for charging an electric vehicle (EV), delivering the publication of a 'Design Guide' enabling industry to adopt accessible design within EV charge points and further projects in the area; and
- Development of our next Strategic Plan, to set the aims and objectives for the Charity for 2023-26.

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 was completed during 2021-22 against the Charity Commission's Good Governance Code. The review found no concerns requiring immediate action and is informing our ongoing performance and developments in governance.

In January 2022, we registered Designability Limited as a separate entity. The company is dormant and share capital is owned by Designability Charity Limited only.

Governance – Subcommittees

The Board operates two sub-committees, each with a clear purpose and remit. The sub-committees are:

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. 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 for a maximum of nine years). 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:

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

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 at an operational level and 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 2021-22, our risk management work focused on responding to business continuity risks around systems, processes and data as well as recruitment and ways of working

following the lifting of Covid-19 restrictions. We continue to monitor the risk around fundraising income and fundraising asks for our new innovations. Mitigating action plans are in place.

As a medical device manufacturer we have continued to invest resources in maintaining our compliance to all applicable medical device regulations, including the UKMDR and EUMDR.

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 Finance and Governance Committee half yearly, and with an annual review by the Board of Trustees.

Detailed Covid-19 scenario planning and risk register was in place throughout the year to mitigate as far as possible the on-going impact of the pandemic on both the operations of the organisation and on financial stability. 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. The Senior Leadership Team continue to monitor the situation and respond as necessary.

Financial review

The Board of Trustees are pleased with the on-going financial performance of the Charity this year. A financial surplus of £140,417 has been achieved in this year and the underlying reserves position is strong at £2.060m. Designability has continued to carefully control expenditure but this has increased from £1.69m in 2020-21 to £2.078m in 2021-22 following careful management of spend in the prior year and also significant external spend on the accessible EV charge point project. Income has increased from the previous year from £1.93m in 2020-21 to £2.19m in 2021-22 due to the continued generosity of our donors and supporters, and following receipt of funding from partners and donors relating to two specific and significant projects: the refurbishment of our premises at the Royal United Hospital in Bath, and the Accessible EV Charging project.

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 on-going 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. As with all organisations, global issues of supply chain, commodity price increases, energy costs and the increased cost of living are significant factors likely to affect future performance of the Charity. For fundraising, increased competition from other charities for funds remains a risk, following a decrease in some income streams which other charities have been reliant on in the past. Measures have been taken where possible to mitigate against all financial risks and Designability can continue to operate effectively and achieve our charitable aims. As such the Trustees are confident that Designability retains sufficient resources to continue for the minimum 12 month period to be considered as 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 partners and 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, cost of living increases and 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 2022, 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 initial funding for research and/or development of new products by the Charity. Use of this Reserve is decided by the Board of Trustees. For 2021-22, 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 attachable pushchair innovation and launch, which will bring opportunities for greater independence to disabled parents and carers.

The Trustees have decided to maintain the Systems and IT Development fund in order to ensure funding is available to finish the planned investment for our infrastructure and database projects which started in 2020-21.

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 value of the restricted funds has increased as we have recognised grant income in line with accounting regulations in 2021-22, but spend relating to specific projects will be incurred in 2022-23 and beyond.

The Trustees reviewed the level of designated funds at 31 March 2022 and confirm that the Reserves Policy has been met. The balance on designated operating reserve as of 31 March 2022 was £1,043,502 (note 20).

	Value as of 31 March 2022	Purpose
Restricted funds	£638,627	Funds for restricted and other allocated projects: <ul style="list-style-type: none"> - Wizzybug Loan Scheme and Access Fund - Accessible Electric Vehicle Charging project - Refurbishment Reserves
General Reserve - Unrestricted	£129,374	Unrestricted reserves
Operating Reserve - Designated	£1,043,502	Funds set aside adequate to cover six months' running costs and refurbishment of Wizzybugs between loans
Innovation Reserve - Designated	£199,000	Designated funds – to support innovation and new product development projects and launch
Systems and IT Development Reserve - Designated	£50,000	To fund investment in IT infrastructure and systems

At 31 March 2022, the Charity had free reserves (unrestricted reserves that are not functional fixed assets) of £726,159 which form part of the General Reserve and the designated Operating Reserve above (2021: £930,051 restated).

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 managed funds, the most significant of which is with a large, well established and charity specific fund. The fund offers a mix of diversified and low risk investment assets. This is in line with the Investment Policy of the Charity in that no undue risk is taken in seeking a higher investment return. No investments are held with an individual company.

The majority of the invested money is held in a charity specific investment fund, which aims to provide long term growth and distributions. The fund aims to beat inflation and is significantly diversified in order to mitigate risk. The fund has an ethical investment policy.

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.

Appointed members in post during the year were:

Ben Metcalfe	Appointed by the University of Bath
Christos Vasilakis	Appointed by the University of Bath (resigned 2021)
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, gender balance and lived experience of disability 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.

In November 2021, following 10 years of service (extended to ensure continuity during the Covid-19 pandemic), the Chair of Trustees Libby Gawith stepped down. We are grateful to her for her dedicated leadership and valued contribution. We welcomed Jerry Marwood as the new Chair of Trustees in November 2021.

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:

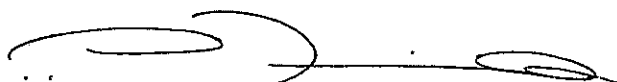
- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 26 September 2022 and signed on its behalf by:



P Fairhurst
Trustee and Company Secretary

Annual Report of the Management Team

A. Service Provision

Early years' powered mobility and the Wizzybug Loan Scheme

The Wizzybug Loan Scheme provides powered wheelchairs, designed and made by the Charity, to young children throughout the UK, free of charge.

2021-22 has been a challenging year for the Loan Scheme, due to the on-going impact of the Covid-19 pandemic. Beyond wider restrictions, we have seen a backlog of therapist appointments and increased time for families to receive appointments with their therapist. Despite these challenges, we have continued to grow the Loan Scheme, with 140 new children joining during the year and, in July, we celebrated the milestone of the 1,000th Wizzybug being presented to a disabled child. 2021 also saw the 10th anniversary of the Loan Scheme. We have continued to dramatically reduce the time that families wait for their application to be processed, as well as the time from application to handover, ensuring that young children enjoy the developmental benefits of independent mobility as early as possible in their lives.

During the year we have worked hard to eliminate barriers to children joining the Loan Scheme, including work to expand our regional delivery of handovers, increasing virtual appointments, and a streamlined application process. We also continued our work on a number of improvements and innovations around Wizzybug product design in response to feedback from our beneficiaries. This included the continued roll out of new and more reliable batteries, developing a new motor solution to increase the driving speed and investigating options to expand the length of time a Wizzybug will be suitable for a child.

Our ongoing work to expand the Loan Scheme and number of children we can reach continues to be supported by a wide range of partnerships, including an ongoing partnership with Motability, the Charity.

During 2021-22, we undertook an extensive review of our clinical governance processes, bringing about a number of improvements to how we manage our clinical delivery of the Loan Scheme. The review focused on all aspects of the service delivery from initial enquiry and application, through to the end of loan and return of Wizzybug.

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.

During 2021-22 we have focussed on developing a wheelchair attachable pushchair to enable parents and carers who are manual wheelchair users to take their babies and young children out independently. This has historically been our most popular product enquiry, and our research shows

there are over 16,000 disabled parents of children aged 0-3 years in the UK using manual wheelchairs. We engaged with wheelchair users to understand the challenges they face and produced a fully working prototype suitable for user testing in autumn 2021. We recruited a group of wheelchair users with a range of disabilities from across the UK to take part and we received overwhelmingly positive feedback from the user trials, that the product would have a transformational effect on their lives. Towards the end of the year, we progressed towards a launch-ready design. Designability is working towards launching this product in Spring 2023.

Product sales

Thousands of people with a wide range of disabilities are helped by our products every year. Some of these products are produced in our workshop, and some, designed by us but produced in partnership with other organisations. International sales of Wizzybugs are made through partnerships with a small number of carefully selected distributors and we continually review our commercial agreements to ensure that they deliver impact for our beneficiaries. All receipts from commercial sales are reinvested in the UK, in order to progress the aims and objectives of the Charity.

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 and want them.

During 2021-22, we continued our work to create a new industry standard for accessible electric vehicle (EV) charging, working alongside Motability, the Charity and OZEV the UK government department of the Office for Zero Emission Vehicles. 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.

During the year, following a huge response to take part in the study, we engaged with disabled users to define their accessibility requirements in order to set out the foundation for future accessibility standards in electric vehicle charging infrastructure. We published our findings in July 2021 and in September 2021, moved on to the next phase of the project, with the objective of validating a BSI (British Standards Institution) standard with disabled users, involving design, prototyping and user testing of the key features. Findings will result in the publication of a 'Design Guide' enabling industry to adopt accessible design within charge points, thus impacting the national charge point network. The project has attracted huge interest from industry leaders and government and has put Designability at the forefront of this critical change in infrastructure. Our work has been integral to the output from the BSI and we continue to work on how the Publicly Available Specification (PAS) can be realised in physical designs.

D. Projects and plans for the future

At Designability, we have ambitious plans for the future. We know that our existing products have potential to help many more disabled people, and our expertise in user engagement and design can unlock further impact for thousands of disabled people and the challenges they face in their daily lives.

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. We have an ambitious target to reach the next 1,000 children by 2026, half the time it has taken us to grow the Loan Scheme to its current size. We will do this through further developing our regional delivery of Wizzybug handovers and through partnerships with other charities who also work with our beneficiaries, such as Family Fund with whom we partnered in 2021. We will also significantly increase our presence at exhibitions and events to continue to promote the benefits of Wizzybug, as well as delivering presentations at events on the benefits of early years powered mobility. We are investing in resources, particularly with the addition of a fixed-term Partnerships and Engagement post, to build relationships with condition-specific charities and local authorities, to drive additional applications to the Loan Scheme.

2021-22 will see the implementation of a new Customer Relationship Management system that will bring in vital efficiencies within the operations of the Wizzybug Loan Scheme. This new development will allow us to not only provide an improved service to our beneficiaries, but also to ensure that we are able to make data-driven decisions, to maximise operational improvements.

We will also aim to increase the impact of each Wizzybug, expanding the range of disabled children who can benefit and increasing the usage of Wizzybug during each loan through reducing the weight and upgrading the motors to increase the speed of Wizzybug. During 2021-22, we authored a 'Concept Development Plan' which analysed feedback from the last 10 years of the loan scheme. An implementation plan will be developed during 2022-23, with further exciting and impactful developments to be implemented to Wizzybugs.

We will continue with our development of a wheelchair attachable pushchair. We will complete our final phase of product development and user testing in 2022, and launch a finalised product to parents in Spring 2023.

The current phase of the Accessible EV charging project is due to conclude in Autumn 2022 with the launch of the BSI standard and our online design guidance. Public awareness and interest in the project continues to grow and we will use our expertise in the accessible EV charging area for on-going partnership and look to use our expertise in this critical area.

We are about to embark on development of our next three year strategy to 2026. This will include 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 and impact in the years ahead.

E. Education

University of Bath

We led the user-centred design module for third year Mechanical Engineering (EngD) students at the University of Bath in October 2021. This year the module focussed on electric vehicles, including charging, vehicle design and the associated built environment.

We also worked with Mechanical Engineering students on the Group Business Design Project. The focus was to design more efficient production processes for Wizzybug manufacture.

Three Ways School

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. During the summer, we welcomed students from Three Ways School, Bath, to spend time in our workshop and gain experience of some of the engineering processes involved in building Wizzybugs, using specialist equipment and working in a workshop environment.

During the year, our programme of support for an EngD student from the University of Bath completed. The student passed his viva in February 2022 with a focus on augmented reality and older adults, and was subsequently shortlisted for the Godfrey and Sue Hall Postgraduate Research Student Prize 2022.

F. Premises

In 2021-22, we undertook a major project, to redesign and refurbish our premises at the Royal United Hospital in Bath, introducing dedicated areas for our clinical work and user engagement. At year end, the project was near to completion and we look forward welcoming our beneficiaries.

During the year we continued with a temporary lease for a separate site in Bath, in order to continue to meet users of our services face to face away from our main site at the Royal United Hospital Bath, in a Covid-secure manner and whilst the refurbishment work was underway.

The workshop, which opened in early 2020, has continued as a key hub of Designability's activity this year, where we continue all of our workshop activities including building Wizzybugs, engineering innovative prototypes for new products and providing a collaborative and creative workspace for our research projects.

H. Regulatory compliance

Medical Device Regulation (MDR)

Wizzybug is classified as a Class 1 medical device. In 2021, the new EU Medical Device Regulation came into force, requiring manufacturers to meet much more stringent requirements in their technical documentation and quality management systems. Designability undertook a significant project to maintain our CE mark and ensure compliance with the new regulations. During 2021-22 we achieved this compliance and were able to sign the 'Declaration of Conformity'.

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.

I. Operations, IT and people

During the year we embarked on a major project to improve the internal efficiency at Designability through improving our systems, processes and ways of working. We have completed work on our HR and Finance systems in order to generate efficiencies and improve compliance, particularly around GDPR, and work on our updated CRM database will be completed in Summer 2022.

We moved to a hybrid working model, where staff work both in our premises and remotely. We continue to ensure close and collaborative working practices through regular team days in our offices and dedicating time for all staff events. We continued to follow government guidelines to ensure our workplaces are Covid secure.

In the year, we have continued to focus on our Equality, Diversity and Inclusion policies and became a Level 1 Disability Confident employer. We will continue to work towards Level 2.

During the year, one of our longest standing employees was announced as one of the final four nominees for The Third Sector's 'Unsung Hero Award'. In March 2022, we were awarded 'Highly Commended' in the Bath Life Awards 'Charity' category, in recognition of our contribution within the local community and nationally.

J. Summary of our financial performance

The Charity's financial performance this year was strong with a year-end surplus of £140,417.

INCOME

Donations

Voluntary income from donations increased by 19% this year to £1,860,636 (2020-21: £1,562,264). As in previous years, the majority of donations received were from Charitable Trusts and Foundations. This included some large donations to fund the refurbishment of our main premises and the on-going work for the accessible EV charging project. Costs against some of this income will be incurred in the next financial year and are held in the relevant restricted funds. Community and events fundraising has started to increase as Covid restrictions have been lifted and the success of specific appeals, such as The Big Give. During the year, we received one legacy donation.

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 and royalties

Product sales and royalties decreased to £312,899 (2020-21: £354,360) due to delays in orders from distributors and supply issues for our royalty partners.

EXPENDITURE

Total expenditure this year was £2,080,549 (2020-21: £1,696,156), an uplift of 23%. The increase is due to very careful control of spend in the previous year as a result of the uncertainty created by the pandemic, significant third party expenditure as part of our project on accessible EV charging and additional premises costs to ensure we could continue to meet our beneficiaries during the Royal United Hospital premises refurbishment project and operate in a Covid secure way.

Cost of raising funds

The cost of raising funds increased to £81,181 (2020-21: £30,612) for the reporting period, reflecting growth in our Fundraising Team and activities. The prior year comparator was lower than usual following restructuring within the Fundraising Team and a reallocation of some staff costs to Management.

Summary

2021-22 was financially a sound and strong year. We have finished the year with a surplus, reflecting on-going strong cost control against a backdrop of changing operational activities, as Covid restrictions have been lifted and we commenced our project to review our systems and processes. We continue to build on our successful fundraising for key projects and thus bringing about increased positive impact for disabled people.

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 2022 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 2022 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.

Report of the Independent Auditors to the Members of
Designability Charity Limited

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

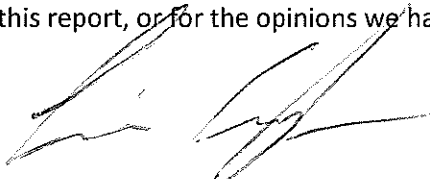
Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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.

Report of the Independent Auditors to the Members of
Designability Charity Limited

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.



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

Date:10/10/2022.....

Designability Charity Limited

Statement of Financial Activities
for the Year Ended 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	519,096	1,341,540	1,860,636	1,562,264
Charitable activities					
Charitable Activities	5	312,899	-	312,899	354,360
Other trading activities	3	5,171	-	5,171	593
Investment income	4	<u>11,538</u>	<u>-</u>	<u>11,538</u>	<u>14,474</u>
Total		848,704	1,341,540	2,190,244	1,931,691
EXPENDITURE ON					
Raising funds					
Raising donations and legacies	6	<u>80,836</u>	<u>345</u>	<u>81,181</u>	<u>30,612</u>
		80,836	345	81,181	30,612
Charitable activities					
Charitable Activities	7	576,284	1,110,311	1,686,595	1,499,659
Other		<u>188,840</u>	<u>121,933</u>	<u>310,773</u>	<u>165,885</u>
Total		845,960	1,232,589	2,078,549	1,696,156
Net gains on investments		<u>28,722</u>	<u>-</u>	<u>28,722</u>	<u>92,771</u>
NET INCOME		31,466	108,951	140,417	328,306
Transfers between funds	20	<u>(147,793)</u>	<u>147,793</u>	<u>-</u>	<u>-</u>
Net movement in funds		(116,327)	256,744	140,417	328,306
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,538,203</u>	<u>381,883</u>	<u>1,920,086</u>	<u>1,591,780</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,421,876</u>	<u>638,627</u>	<u>2,060,503</u>	<u>1,920,086</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

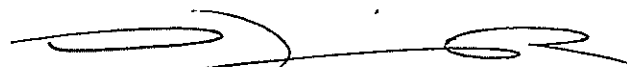
Designability Charity Limited (Registered number: 933932)

Statement of Financial Position
31 March 2022

	Notes	31.3.22 £	31.3.21 £
FIXED ASSETS			
Tangible assets	13	157,840	180,467
Investments	14	<u>615,427</u>	<u>586,705</u>
		773,267	767,172
CURRENT ASSETS			
Stocks	15	168,288	199,543
Debtors	16	185,354	151,570
Cash at bank		<u>1,420,226</u>	<u>959,437</u>
		1,773,868	1,310,550
CREDITORS			
Amounts falling due within one year	17	(486,632)	(157,636)
		<u>1,287,236</u>	<u>1,152,914</u>
NET CURRENT ASSETS			
		2,060,503	1,920,086
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>2,060,503</u>	<u>1,920,086</u>
NET ASSETS			
		2,060,503	1,920,086
FUNDS	20		
Unrestricted funds		1,421,876	1,538,203
Restricted funds		<u>638,627</u>	<u>381,883</u>
TOTAL FUNDS		<u>2,060,503</u>	<u>1,920,086</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 26/09/22 and were signed on its behalf by:



.....
P Fairhurst - Trustee

The notes form part of these financial statements

Designability Charity Limited

Statement of Cash Flows
for the Year Ended 31 March 2022

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>570,580</u>	<u>485,788</u>
Net cash provided by operating activities		<u>570,580</u>	<u>485,788</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(121,329)	(104,052)
Dividends received		<u>11,538</u>	<u>14,474</u>
Net cash used in investing activities		<u>(109,791)</u>	<u>(89,578)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period		<u>959,437</u>	<u>563,227</u>
Cash and cash equivalents at the end of the reporting period		<u>1,420,226</u>	<u>959,437</u>

Notes to the Statement of Cash Flows
for the Year Ended 31 March 2022

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

	31.3.22	31.3.21
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	140,417	328,306
Adjustments for:		
Depreciation charges	143,956	217,052
Gain on investments	(28,722)	(92,771)
Dividends received	(11,538)	(14,474)
Decrease/(increase) in stocks	31,255	(21,054)
(Increase)/decrease in debtors	(33,784)	64,627
Increase in creditors	<u>328,996</u>	<u>4,102</u>
Net cash provided by operations	<u>570,580</u>	<u>485,788</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank	<u>959,437</u>	<u>460,789</u>	<u>1,420,226</u>
	<u>959,437</u>	<u>460,789</u>	<u>1,420,226</u>
Total	<u>959,437</u>	<u>460,789</u>	<u>1,420,226</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

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.

Preparation of consolidated financial statements

During the year the Charity incorporated a subsidiary company. The Charity has taken advantage of the exemption not to produce consolidated financial statements on the ground that its subsidiary, Designability Limited, is dormant.

Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

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:

1. ACCOUNTING POLICIES - continued

Expenditure

- 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 regards to the charge to cover support costs and overheads this is set as 82% for the EV project and 62% for all other restricted funds. Income is the donated income specified for each project, received in the year.

The Mobility grant, for the provision of the Wizzybug Loan Scheme, allows for an allocation of these funds to 'an appropriate proportion of organisational overheads and support costs, in line with Wizzybug Loan Scheme activity as a proportion of overall Designability activity.' The percentage split has been reviewed and is now set at 62% - 38% split between Wizzybug Loan Scheme restricted and core costs funding respectively.

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
Plant and machinery	- Straight line over 3 years
Fixtures and fittings	- Straight line over 10 years
Computer equipment	- Straight line over 3 years

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.

1. ACCOUNTING POLICIES - continued

Fund accounting

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. 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)

1. ACCOUNTING POLICIES - continued

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 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.

1. ACCOUNTING POLICIES - continued

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 Reserve or the Innovation Reserve.

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. DONATIONS AND LEGACIES

	31.3.22	31.3.21
	£	£
Donations	1,854,741	1,534,918
Grants	<u>5,895</u>	<u>27,346</u>
	<u>1,860,636</u>	<u>1,562,264</u>

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

	31.3.22	31.3.21
	£	£
Flourish	-	(1,230)
York	-	(3,576)
Covid Job Retention Scheme grant	-	31,354
Sipa 2	5,895	2,464
Other grants	<u>-</u>	<u>(1,666)</u>
	<u>5,895</u>	<u>27,346</u>

Government Grants

During the year ended 31 March 2021, the charity received a government grant in the form of the Coronavirus Job Retention Scheme (CJRS). No grants were due for 2022 year end.

Return of grants and donations

During the year ended 31 March 2021, as a result of Covid, a number of projects were unable to be completed according to the agreement terms. The charity has returned unspent funds previously recognised in income, back to the donor or grant provider. No amounts have been returned in 2022.

3. OTHER TRADING ACTIVITIES

	31.3.22	31.3.21
	£	£
Consultancy and Other Income	<u>5,171</u>	<u>593</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

4. INVESTMENT INCOME			31.3.22	31.3.21
			£	£
Investment Income			<u>11,538</u>	<u>14,474</u>
5. INCOME FROM CHARITABLE ACTIVITIES			31.3.22	31.3.21
	Activity		£	£
Product Sales	Charitable Activities		291,104	326,703
Royalties	Charitable Activities		<u>21,795</u>	<u>27,657</u>
			<u>312,899</u>	<u>354,360</u>
6. RAISING DONATIONS AND LEGACIES			31.3.22	31.3.21
			£	£
Staff costs			78,756	30,612
Sundries			<u>2,425</u>	<u>-</u>
			<u>81,181</u>	<u>30,612</u>
7. CHARITABLE ACTIVITIES COSTS				Direct Costs £
Charitable Activities				<u>1,686,595</u>
8. SUPPORT COSTS				
		Finance	Other	Governance
		£	£	costs
Other resources expended		<u>816</u>	<u>264,417</u>	£
				<u>310,773</u>

9. NET INCOME/(EXPENDITURE)

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

	31.3.22	31.3.21
	£	£
Auditors' remuneration	7,250	6,700
Depreciation - owned assets	143,956	217,052
Other operating leases	<u>11,414</u>	<u>11,932</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 nor for the year ended 31 March 2021.

11. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	931,361	741,853
Social security costs	92,738	72,124
Other pension costs	<u>199,964</u>	<u>138,622</u>
	<u>1,224,063</u>	<u>952,599</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 5 members of staff (2021: 5 members of staff) for services provided to the Charity was £335,561 (2021: £275,030).

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.

During the financial year, this scheme closed for new members. Staff already in this pension scheme continue to be members for contributions and benefits purposes.

11. STAFF COSTS - continued

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.

University of Bath Group Pension Plan

Any new staff members who joined on or after 1st June 2021 are eligible to join the University of Bath Group Pension Plan. This is a defined contribution scheme and is administered by Aviva. As with the other universities scheme, this is a mutual scheme 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:

	31.3.22	31.3.21
Management	5	5
Design and Engineering	10	10
Fundraising and Promotions	4	2
Wizybug Loan Scheme	4	5
Finance and Administration	<u>5</u>	<u>2</u>
	<u>28</u>	<u>24</u>

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

	31.3.22	31.3.21
£70,001 - £80,000	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	627,882	934,382	1,562,264
Charitable activities			
Charitable Activities	354,360	-	354,360
Other trading activities	593	-	593
Investment income	<u>14,474</u>	<u>-</u>	<u>14,474</u>
Total	997,309	934,382	1,931,691
EXPENDITURE ON			
Raising funds			
Raising donations and legacies	<u>30,612</u>	<u>-</u>	<u>30,612</u>
	30,612	-	30,612
Charitable activities			
Charitable Activities	590,352	909,307	1,499,659
Other	<u>165,885</u>	<u>-</u>	<u>165,885</u>
Total	786,849	909,307	1,696,156
Net gains on investments	<u>92,771</u>	<u>-</u>	<u>92,771</u>
NET INCOME	303,231	25,075	328,306
Transfers between funds	<u>(61,911)</u>	<u>61,911</u>	<u>-</u>
Net movement in funds	241,320	86,986	328,306
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,296,883</u>	<u>294,897</u>	<u>1,591,780</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>1,538,203</u></u>	<u><u>381,883</u></u>	<u><u>1,920,086</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

13. TANGIBLE FIXED ASSETS

	Assets under construction £	Long leasehold £	Plant and machinery £
COST			
At 1 April 2021	-	52,780	904,000
Additions	59,121	-	60,000
Disposals	-	-	(54,000)
At 31 March 2022	<u>59,121</u>	<u>52,780</u>	<u>910,000</u>
DEPRECIATION			
At 1 April 2021	-	52,780	744,980
Charge for year	-	-	141,470
Eliminated on disposal	-	-	(54,000)
At 31 March 2022	-	<u>52,780</u>	<u>832,450</u>
NET BOOK VALUE			
At 31 March 2022	<u>59,121</u>	-	<u>77,550</u>
At 31 March 2021	-	-	<u>159,020</u>
	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2021	22,114	60,845	1,039,739
Additions	2,208	-	121,329
Disposals	-	-	(54,000)
At 31 March 2022	<u>24,322</u>	<u>60,845</u>	<u>1,107,068</u>
DEPRECIATION			
At 1 April 2021	15,138	46,374	859,272
Charge for year	481	2,005	143,956
Eliminated on disposal	-	-	(54,000)
At 31 March 2022	<u>15,619</u>	<u>48,379</u>	<u>949,228</u>
NET BOOK VALUE			
At 31 March 2022	<u>8,703</u>	<u>12,466</u>	<u>157,840</u>
At 31 March 2021	<u>6,976</u>	<u>14,471</u>	<u>180,467</u>

13. TANGIBLE FIXED ASSETS - continued

Assets under construction

This is costs in relation to the RUH refurbishment project. The majority of the costs will be incurred in 2022-23 and this is when the refreshed offices and new assessment rooms will be available for use.

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2021	586,705
Revaluations	<u>28,722</u>
At 31 March 2022	<u>615,427</u>
NET BOOK VALUE	
At 31 March 2022	<u>615,427</u>
At 31 March 2021	<u>586,705</u>

There were no investment assets outside the UK.

Cost or valuation at 31 March 2022 is represented by:

	Listed investments £
Valuation at 31 st March 2022	<u>615,427</u>

15. STOCKS

	31.3.22 £	31.3.21 £
Completed Wizzybugs and parts	<u>168,288</u>	<u>199,543</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	40,332	33,236
Other debtors	83,739	29,599
VAT	18,059	-
Prepayments and accrued income	<u>43,224</u>	<u>88,735</u>
	<u>185,354</u>	<u>151,570</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade creditors	162,665	123,491
Other creditors	90,383	12,620
Accruals and deferred income	<u>233,584</u>	<u>21,525</u>
	<u>486,632</u>	<u>157,636</u>

18. LEASING AGREEMENTS

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

	31.3.22	31.3.21
	£	£
Within one year	52,863	52,863
Between one and five years	201,189	222,452
In more than five years	<u>287,376</u>	<u>326,572</u>
	<u>541,428</u>	<u>601,887</u>

A lease of the property at the Wolfson Centre was entered into on 26 May 1995 and renegotiated on 23 April 2013. By the terms of the lease, the annual rent was reviewed and agreed at £5,330 (excluding VAT). The lease expires on 28 September 2067. There were no capital costs to the Charity.

Two leases were entered into on 2 December 2019 for 2 units (Units 1&2, Wells Road, Bath, BA2 3AP), which operate as the workshop, design and innovation space and additional offices. The lease expiry on these agreements is December 2026.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
Fixed assets	80,290	77,550	157,840	180,467
Investments	615,427	-	615,427	586,705
Current assets	1,212,791	561,077	1,773,868	1,310,550
Current liabilities	(486,632)	-	(486,632)	(157,636)
	<u>1,421,876</u>	<u>638,627</u>	<u>2,060,503</u>	<u>1,920,086</u>

20. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.22 £
Unrestricted funds				
General Reserve	490,909	89,760	(451,295)	129,374
Operating Reserve	862,294	-	181,208	1,043,502
Innovation Reserve	115,000	-	84,000	199,000
Systems and IT Reserve	70,000	(58,294)	38,294	50,000
	1,538,203	31,466	(147,793)	1,421,876
Restricted funds				
Wizybug Loan Scheme	293,937	75,623	-	369,560
AT Newsletter	1,672	(2,400)	728	-
Junior Dynamic Seat	4,704	(5,000)	296	-
Lloyds Register York Health	-	(1,755)	1,755	-
Wizybug Access	6,411	3,246	-	9,657
Wizybug Redesign	8,118	(16,065)	7,947	-
Refurbishment Reserve	28,036	128,787	-	156,823
Accessible EV Charging	39,005	63,582	-	102,587
Pushchair for Wheelchair Users	-	(137,067)	137,067	-
	<u>381,883</u>	<u>108,951</u>	<u>147,793</u>	<u>638,627</u>
TOTAL FUNDS	<u>1,920,086</u>	<u>140,417</u>	<u>-</u>	<u>2,060,503</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

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	848,704	(787,666)	28,722	89,760
Systems and IT Reserve	-	(58,294)	-	(58,294)
	<u>848,704</u>	<u>(845,960)</u>	<u>28,722</u>	<u>31,466</u>
Restricted funds				
Wizybug Loan Scheme	779,770	(704,147)	-	75,623
AT Newsletter	-	(2,400)	-	(2,400)
Junior Dynamic Seat	-	(5,000)	-	(5,000)
Lloyds Register York Health	-	(1,755)	-	(1,755)
Wizybug Access	5,000	(1,754)	-	3,246
Wizybug Redesign	-	(16,065)	-	(16,065)
Refurbishment Reserve	162,906	(34,119)	-	128,787
Accessible EV Charging	383,864	(320,282)	-	63,582
Pushchair for Wheelchair Users	10,000	(147,067)	-	(137,067)
	<u>1,341,540</u>	<u>(1,232,589)</u>	<u>-</u>	<u>108,951</u>
TOTAL FUNDS	<u><u>2,190,244</u></u>	<u><u>(2,078,549)</u></u>	<u><u>28,722</u></u>	<u><u>140,417</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

20. MOVEMENT IN FUNDS - continued

Comparatives for 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	-	-	70,000	70,000
	<u>1,296,883</u>	<u>303,231</u>	<u>(61,911)</u>	<u>1,538,203</u>
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
Infant Wheelchair	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	-	(3,105)	3,105	-
	<u>294,897</u>	<u>25,075</u>	<u>61,911</u>	<u>381,883</u>
TOTAL FUNDS	<u><u>1,591,780</u></u>	<u><u>328,306</u></u>	<u><u>-</u></u>	<u><u>1,920,086</u></u>

20. 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 £
Unrestricted funds				
General Reserve	997,309	(786,849)	92,771	303,231
Restricted funds				
Flourish Autonomous Vehicles	(1,230)	(1,344)	-	(2,574)
Wizybug 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)
Wizybug Access	-	(3,589)	-	(3,589)
Infant Wheelchair	-	(68,975)	-	(68,975)
Wizybug 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>1,931,691</u>	<u>(1,696,156)</u>	<u>92,771</u>	<u>328,306</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. There is 1 trustee (2021: 1) who works for the University but has 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.