

# NATURAL ABILITY

England & Wales · Charity number 1136665

## Details

---

Status	Registered
Legal form	Charitable company
Company number	<a href="#">06959710</a>
Registered	2010-06-30
Register	<a href="#">View on the Charity Commission register</a>

## Contact

---

Address	West Orchard House Allendale Road Hexham Northumberland NE46 2DE
Phone	01434618149
Email	<a href="mailto:info@naturalability.org">info@naturalability.org</a>
Website	<a href="http://www.naturalability.org">www.naturalability.org</a>

## Activities

---

**Objects:** THE RELIEF OF YOUNG PEOPLE AND ADULTS WITH LEARNING DISABILITIES AND OR PHYSICAL AND/OR MENTAL DISABILITIES, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF: A. HOUSING, SUPPORTED LIVING, SHORT BREAKS, EMPLOYMENT, EDUCATION, TRAINING AND LEARNING OPPORTUNITIES, EMPHASISING THE PROTECTION OR CONSERVATION OF THE ENVIRONMENT AND LOCAL HERITAGE, WHEREVER POSSIBLE. B. DEVELOPING SUCH OTHER CHARITABLE FORMS OF SUPPORT AS REQUIRED.

**Activities:** Natural Ability offers agricultural and land-based training, employment, supported living, activity holidays and specialist education packages to people with learning and other disabilities. Respect for the environment, learning about farming, caring for animals and plants and living in a sustainable way are also fundamental to the organisation.

## Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Disability, Accommodation/housing, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities, The General Public/mankind

## Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Throughout England

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,941,236	£1,829,794	£500,405	66
2024-03-31	£1,491,159	£1,440,398	£388,963	54
2023-03-31	£1,345,005	£1,317,016	£338,202	50
2022-03-31	£1,202,715	£1,152,022	£310,213	49
2021-03-31	£1,008,230	£961,384	£259,520	37

## Trustees

Name	Role	Appointed
<b>Bruce Howorth</b>	Chair	2014-10-14
Calum Keith Nicholson		2025-06-11
Daisy Anne Gardener		2021-11-22
MOYA HOLMES		2014-10-14
Michael Quinn		2014-10-14
ROBERT PHILIPSON		

**NATURAL ABILITY**

England & Wales - Charity number 1136665

---

# Accounts

---

# Trustee's Annual Report & Accounts

2024-2025



 natural  
ability

# Contents

## **Introduction from our Chair of Trustees and CEO** 1

## **Trustees Report** 2

Vision, Mission and Values 2

Current Activities 3

Achievements and Performance 4

Independent Supported Living review 5

Day Farming review 6

Handyperson Service review 8

The Orchard review 9

Towards Independence Enabling review 10

Grants, donations and fundraising 11

Plans for the future 12

Financial review 14

Structure, governance and management 15

Statement of Trustees' Responsibilities 16

Company and charity information 17

## **Independent Auditor's Report to the Members of Natural Ability** 18

## **Financial Statements** 21

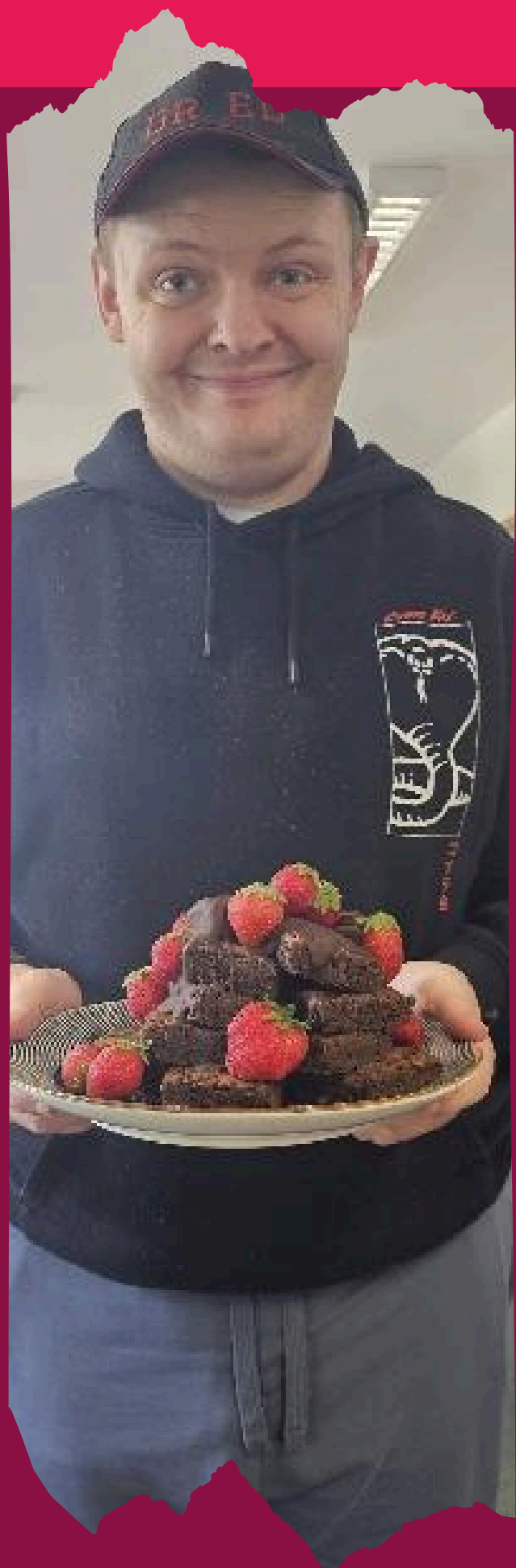
Statement of financial activities 21

Balance sheet 22

Cash flow statement 23

Notes to the financial statements 24

## **Thanks** 33



# Introduction from our Chair of Trustees and CEO



**Bruce Howorth**  
Chair of Trustees

This has been another year of growth and development for Natural Ability. At the heart of the Charity is its beneficiaries and in all respects we have delivered on our commitment to provide support and services which are Respectful, Responsive and Unique.

The move to West Orchard House has continued to be transformative of the services we are able to offer and the range and number of beneficiaries we can support. During the year we have increased to offering day services in The Orchard on 4 days/week and expanded our Towards Independence Enabling service. Further development is already taking place this year with more planned.

ISL continues to be a focus for the organisation where we were able to support 15 individuals to live as independently as possible during the year. This service is recognised as being probably the best of its type in the area and is in high demand from parents and carers.

Day Farming and Handyman Services have also continued to provide opportunities which are not available elsewhere and which supplement our other day services.

Financially it has been a strong year with 30% growth in income and we are going forward in a very healthy financial position.

None of this would be possible without the dedication, skill and compassion of the staff team and my thanks and that of all Trustees goes to them.

The past year has seen significant organisational developments designed to strengthen Natural Ability and enhance the support and experiences we provide.

To increase our support infrastructure, we introduced an additional ISL Manager and created a new Service Development Manager role. Both positions have been instrumental in supporting our growth and expanding our capacity to improve processes, strengthen partnerships, widen our reach, and further develop our staff team.

Other key developments include a full redesign of our website and marketing materials, launch of a community sensory equipment library and making our sensory space available for local groups, including a parent and toddler group, introduction of an electronic medication administration recording system, expansion of The Orchard and commencement of enabling support for individuals. We have continued to work successfully in partnership with Social Care teams across both the Local Authority and NHS. We have also strengthened links within our wider community, collaborating with organisations such as the North East Ambulance Service, the Queen's Hall, the Royal British Legion and Northumberland National Park. In addition, we have worked closely with schools across the region to support transitions from children to adult services. All of these collaborations have created meaningful opportunities and valuable experiences for the people we support.

Most importantly, the people we support have enjoyed a full, varied and exciting year. Highlights have included European travel, seasonal celebrations such as Easter, Halloween and Christmas, and movie nights. They have also taken a leading role in developing the RCF (Respect, Choice, Friendship) blog on our website, gaining new digital skills in the process. We have supported individuals to embrace their passions—whether travel, acting or music—and to use their voices to influence the services and issues that matter to them.

It has certainly been a busy and rewarding year for Natural Ability, and we look forward with excitement to the opportunities the next year will bring.



**Nicola Crawford**  
Chief Executive Officer

# Our Vision

That people with learning disabilities lead fulfilling lives. Their potential is achieved and they are valued and contributing members of their community.

# Our Mission

To improve the health, wellbeing and success of people with learning disabilities by providing respectful, responsive and unique services.

# Our Values

## INDEPENDENCE

We believe that every person should be able to live independent lives in whatever form that takes for them. We want every person we support to have choice, opportunities and aspirations, and we will work alongside them to achieve their potential.

## CARING

We treat every person with kindness and patience. We treat people as individuals with dignity and respect. We promote equality and inclusion for all.

## BESPOKE

We ensure our services are responsive to individuals. Our support is person centred and adapted to best meet the needs of each person, enabling and empowering them to strive towards their ambitions.

## SAFE

We provide a safe environment for the people we support. We do not believe in limitations, believing that everyone has the potential for personal achievement, well beyond their own and other people's expectations. We are not risk averse - we work with individuals to manage the risk safely.

## CHALLENGE

We do not accept that 'the way things are' is the way things necessarily have to be. We will challenge and lobby to change the way things are done to ensure that individuality is at the centre of all decisions made about a person. We will encourage individuals to have a voice.



# Current Activities

## 1 Independent Supported Living (ISL)

Natural Ability continues to provide an ISL service across West Northumberland to support people to live independently in their own homes. The people who use our service are supported to have choice and control over all aspects of their lives. These choices can include where they live, who they live with and what activities and community engagement they choose to participate in to enrich their daily lives.

## 3 Towards Independence & Enabling

This service offers alternative education and training to post-16 year olds. Individuals can work towards building their knowledge and experience in a wide range of subjects with a focus on life skills, social skills, employability and working towards independence.

## 2 Day Services

### DAY FARMING

Individuals using our Day Farming service can access a wide range of opportunities working outdoors in the North Pennines and surrounding areas. As well as providing the people who use our service with a sense of physical and psychological wellbeing, we provide rural training and work experience. The service works in partnership with the local farming community, therefore enabling our Day Farmers to work as part of a team to develop and support the work of farms, community gardens and other community activities.

### HANDYPERSON SERVICE

This service provides people with learning disabilities a valuable employment opportunity working within their local community. The Handy person team work alongside a skilled and experienced supervisor taking on jobs such as gardening, landscaping, fencing, painting and decorating. This service is growing rapidly, developing the skills of those involved whilst also building community links, community inclusion and strengthening supportive work placed opportunities for those perceived to be furthest from the labour market.

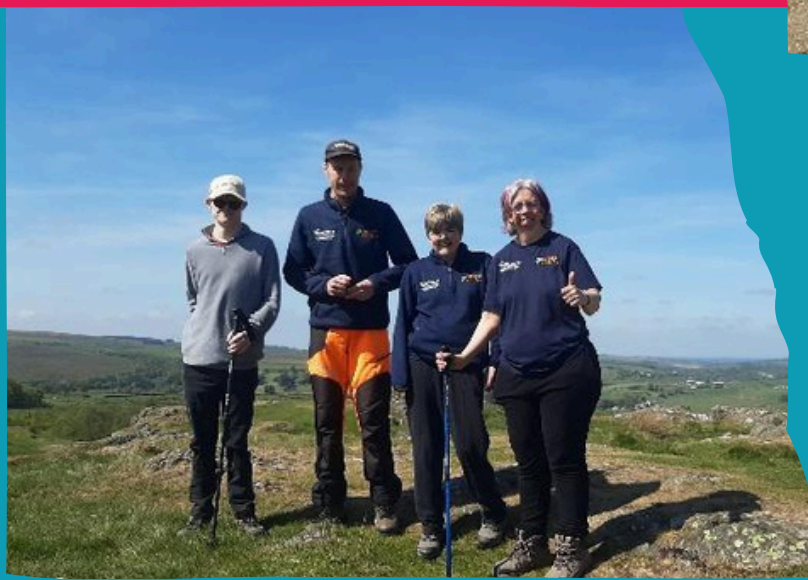
### THE ORCHARD

The Orchard provides a predominantly indoor, fully accessible day service based in central Hexham, available to people with learning and other disabilities. The Orchard provides a welcoming environment where individuals can engage in a variety of activities, build skills, learn and participate in social activities. This service offers a comprehensive programme of modules tailored to the diverse interests and needs of participants, ensuring a broad and enriching experience.



# Achievements & Performance

Once again, here at Natural Ability, our services have gone from strength to strength during the year ended 31 March 2025. The Orchard Day Service opened on a third weekday, and then a fourth, and both days have quickly filled with vibrant, enthusiastic attendees who bring their own vision and ideas to all that we do. Whilst not increasing the number of people supported, the ISL service did increase the number of support hours provided when several individuals required additional support throughout the year. The whole staff team worked tirelessly to provide a high quality service to all of the individuals we support. Day Farming, our initial service, continues to be well attended and enjoyed by all attendees.



Annual total income was £1,941,236 which was a more than 30% increase from the prior year, with net income of £111,442. Unrestricted funds at the year end were £478,599, an increase of £114,652 from the prior year.

# Independent Supported Living

The ISL service has had another wonderful year with the people we support being encouraged to pursue their desired goals and activities. Social activities during the year have included film nights, Easter Bingo, Natural Ability's annual Beamish Museum trip, a competition-winning trip to see the BBC Philharmonic Orchestra, several holidays around the UK and to Paris, Lanzarote and a tour of Eastern Europe!



We provided more than  
**91,000**  
hours of support in ISL over the year



Natural Ability's raised profile in the local area thanks to our occupation of West Orchard House has made recruitment of high-quality staff easier than ever before. The introduction of a new Service Development Manager role has supported the service with in-house training and dedicated development support.

*"A loves coming to Natural Ability"*

# Day Farming

This service continues to be supported by grant funding and we are constantly working on making the service more sustainable. Over the year, Day Farming provided 16 people with 681 days of services in total.



The Gardening Group have been kept busy throughout the year with tasks such as clearing leaves, painting a wooden greenhouse, tidying the tool shed and laying an area of bark chippings, as well as the usual garden tasks. Their favourite part of the year, however, is always harvesting, cooking and eating their garden produce!



Day Farming provided

# 681

days of services to  
attendees during the year



# Day Farming



The Farming Group have been touring local dairy farms, helping with lambing, sheep shearing, dry stone walling, spreading manure, trench digging, fencing, weighing lambs, feeding animals, fixing machinery and much more! They especially enjoyed helping to set up the field for the Allendale Agricultural Show and going to see lambs being sold at the mart.



The walking group have been exploring all across the region, always encouraging and helping each other out. They have tried their hands at some map reading and orienteering and enjoyed a visit to the Washington Wetland Centre.

Our walking group walked more than

# 200

miles during the year



# Handyperson Service

The Handyperson service has provided employment for 5 people with learning difficulties. The team have been working hard all year as usual with jobs in private gardens, community gardens, a community litterpick and grounds maintenance at Egger (UK) Ltd's Hexham site.



The Handyperson Service worked more than

# 460

hours during the year

*"I would very strongly recommend Natural Ability"*

*"We are very lucky to have them"*

They continue to work well as a team and complete all tasks to a high standard, even enjoying free ice creams from Allendale Forge Studios as a thank you for their work there!

# The Orchard

The Orchard expanded to opening on a third and then a fourth day each week and is now open Monday to Thursday every week. The schedule continues to offer variety and is structured and designed around what attendees want to do and achieve. Learning topics have included pollution, Sherlock Holmes, Lego, tigers, the Olympics, aboriginal and indigenous art and chocolate to name a few. Investment in a minibus and a wheelchair-accessible van have made trips out possible and attendees have enjoyed many interesting and education visits.

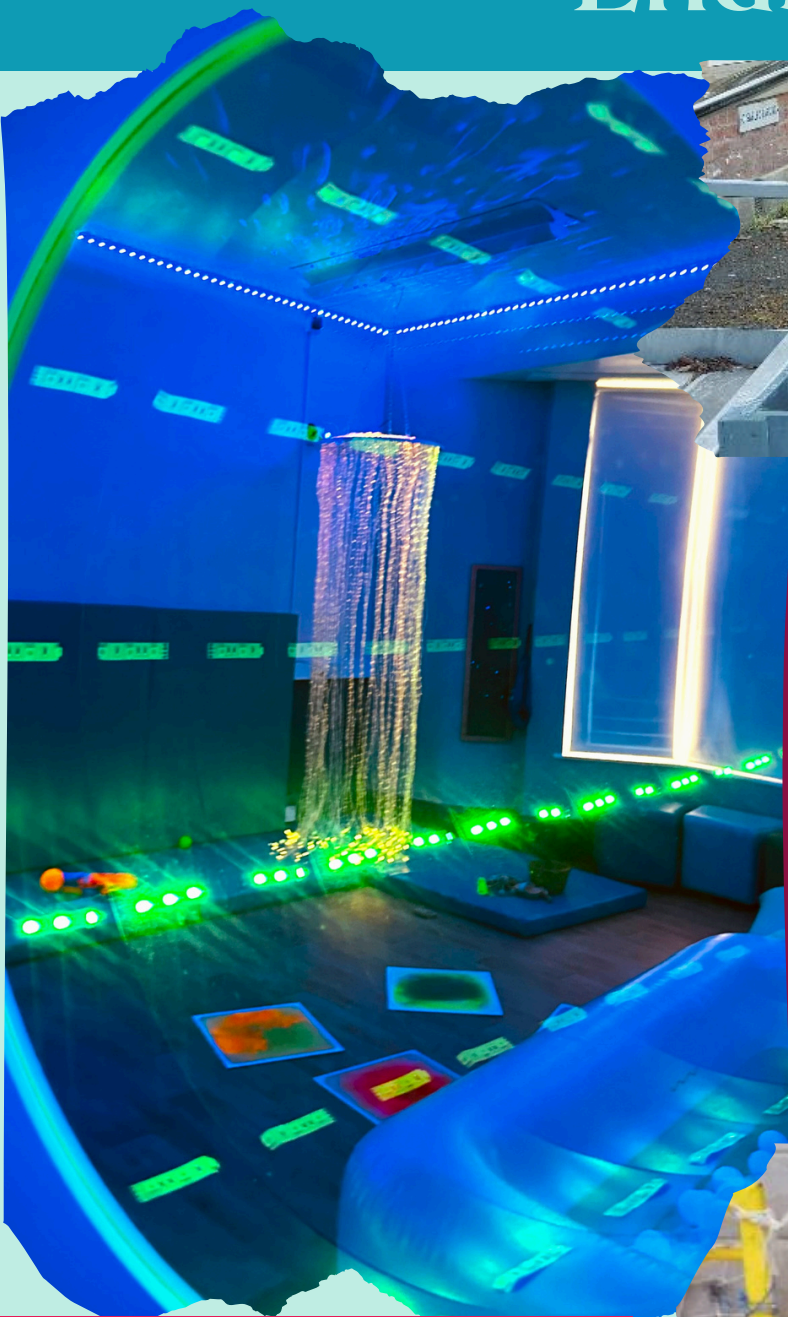


An accessible kitchen donated by Egger (UK) Ltd and Howdens Hexham has been a great asset and is very popular with attendees, as are the regular, relaxing yoga sessions held in the Sensory Room. The Orchard has also been invited to join a nature project in collaboration with the Northumberland National Park.

“She enjoys contributing to ideas and activities, and feels listened to”



# Towards Independence Enabling



This specialist facility has allowed us to offer places in The Orchard to people who have higher needs and require a quiet space to retreat to at times during the day. There are also plans in place to create an additional sensory space within the Towards Independence Hub.

“Really excellent service, great staff. J has a really good life. Thank you.”

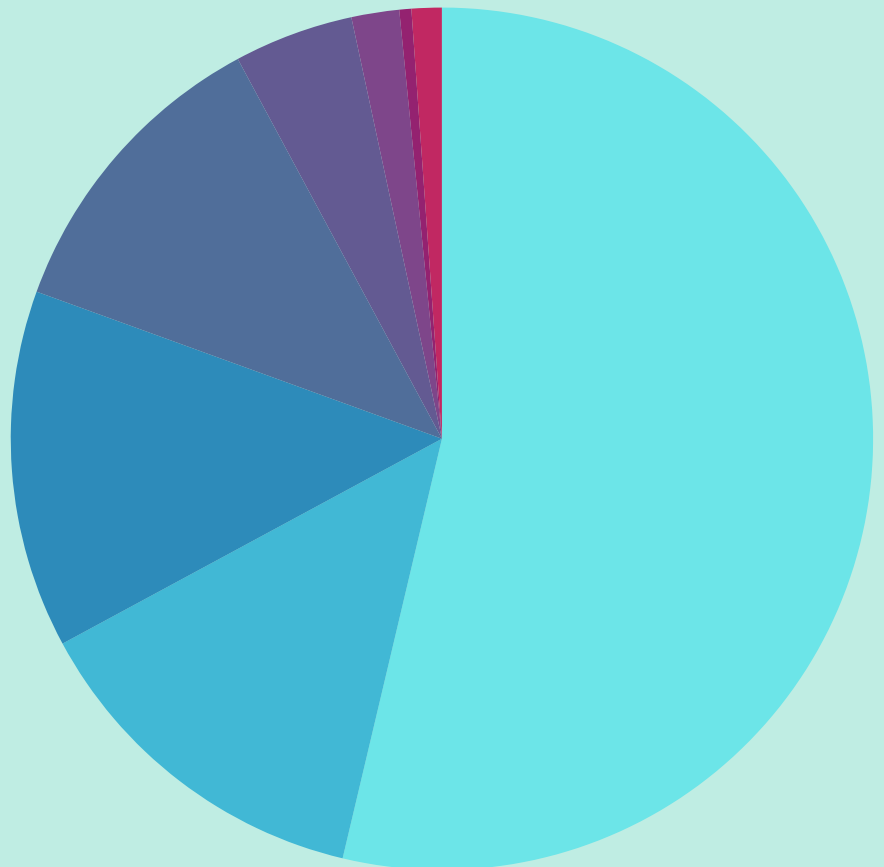


# Grants, Donations & Fundraising

Grant income generated in the year was £110,472 (2024: £122,755) with the main funders being The Henry Smith Charity, The Ballinger Trust and the James Knott Charitable Trust.

Other donations were received in the amount of £1,260 (2024: £993) and fundraising in the amount of £121 (2024: £190). Natural Ability does not carry out dedicated fundraising activities. Funds raised during the year resulted from membership of the Northumberland Lottery scheme, online fundraising through Easyfundraising Ltd and a small fundraising event held on the charity's behalf.

- The Henry Smith Charity £60,000
- The Ballinger Trust £15,000
- James Knott Charitable Trust £15,000
- Egger (UK) Ltd £12,972
- The D'Oyly Carte Charitable Trust £5,000
- The Bruce Wake Charity £2,000
- David Solomons Charitable Trust £500
- Other Donations £1,260



# Plans for the Future

The past year has been both productive and rewarding for Natural Ability. However, we recognise that a vibrant, person-centred organisation must continually evolve to meet the changing needs of the people it supports. Our focus remains on enhancing the quality, reach, and flexibility of our services so that we can empower more adults with learning disabilities to live fulfilling and independent lives.

## **Expanding Day Service Opportunities**

We plan to extend operations at The Orchard to a fifth day each week, enabling us to engage with a greater number of attendees. In tandem with this expansion, we will review our current space and staffing structures to ensure our resources are used effectively. This will help us increase capacity, reduce waiting times, and ensure that no individual wishing to attend is turned away.

## **Introducing New Opportunities Through Community Engagement**

Through our Community Engagement Project, our Service Development Manager will implement a new programme of activities held outside of core service hours. These will include themed sessions designed to promote learning, skill development, and social inclusion. Participation will be open to individuals who do not currently access Natural Ability services, broadening our reach within the community.

We will continue to promote opportunities for the people we support to have a meaningful voice in shaping the services and policies that affect their lives. Furthermore, we aim to strengthen partnerships with other organisations in the region to share expertise and collaborate on innovative projects that create new opportunities for individuals with learning disabilities.



# Plans for the Future

## Growing our Services

We are committed to expanding both our Independent Supported Living and Enabling Services, welcoming new individuals into the Natural Ability community. To better meet the diverse needs of the people we support, we will explore more flexible models of service delivery—for example, offering wrap-around support to accommodate individuals with working parents.

## Developing our Spaces

We are fortunate to have extensive and picturesque grounds at West Orchard House, and we plan to develop these further to enhance accessibility and engagement. Our proposals include the creation of an accessible growing garden and a sensory garden to promote wellbeing, learning, and connection with nature.

In addition, we intend to convert our large garage into a fully functional space to support new initiatives and increase service capacity. Early design concepts for this and other areas of our centre include the addition of quiet areas, a personal care bathroom, a sensory snug, and enhanced group activity spaces.



# Financial Review

The net income for the year was £111,442 (net income 2024: £50,761) as disclosed in the Statement of Financial Activities on page 15. Unrestricted funds at the year-end were £478,599 (2024: £363,947).

The principal source of income comprised earned income of £1,815,160 (2024: £1,357,942), with a further £111,853 (2024: £123,938) in grants, donations and fundraising.

The year ending 31 March 2025 saw an increase of 33.7% in earned income. The proportion of earned income for the year ending 31 March 2025 was 94% (2024: 91%).

## Reserves Policy

It is the policy of the charity to seek to establish and maintain a reserves fund based on a business risk assessment to cover 6 months' core operating costs, redundancies, lease obligations and a contingency for unexpected expenses. The reserves policy figure deemed necessary at 31 March 2025 was £335,000. Unrestricted funds at the year-end were £478,599 (2024: £363,947) which means that the charity can meet the reserves figure as required by the policy.

There is £66,070 designated as tangible fixed assets and a designated buildings fund of £50,000. The remaining free reserves are held and added to on the basis that the charity plans to invest in capital buildings in the future and reserves will be required to form a deposit.

The Trustees review both the policy and the reserves position on a regular basis.

	As at 31 March 2025
Unrestricted Reserves	£478,599
Deduct: Tangible fixed assets Designated buildings fund	(£66,070) (50,000)
Free Reserves	£362,529
Reserves Policy requirements	(£335,000)
<b>Available Free Reserves</b>	<b>£27,529</b>

## Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Annual budgets are monitored on a monthly basis. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

### Public Benefit

The trustees have had regards to the Charity Commission's guidance on their legal duty on public benefit, and are satisfied that the charitable company delivers public benefit. Due regard is paid to the guidance on public benefit whilst reviewing the charitable company's aim and objectives and also when planning future objects and deciding what new projects the charitable company should undertake.

# Structure, Governance & Management

The financial statements comply with current statutory requirements, the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Governing document

Natural Ability is a company limited by guarantee and is governed by its memorandum and articles of association dated 3 May 2010. It was registered with the Charity Commission on 30 June 2010.

## Appointment of Trustees

The Trustees are directors for the purposes of company law and the members of the charity must become Trustees. The number of Trustees must not be less than three and not more than nine persons.

## Induction and training of Trustees

The induction and training of Trustees is dealt with according to individual need. Trustees usually have prior professional or charity knowledge and experience.

## Organisation

The charity is managed by the Trustees, who meet approximately four times a year. Three Trustees are needed for a quorum. The Trustees who have served during the year are set out on the Company and Charity Information page.

The Trustees are responsible for the leadership, strategic development and effectiveness of the charity. The Chief Executive Officer controls day to day operations, the delivery of services and the development of new business.

The Finance Manager is responsible for all finance functions and oversees facility management of Head Office. The Services Managers ensure that service delivery processes are effective, safe, high quality and meet regulatory requirements relating to the care and support for the people who use Natural Ability.

The Human Resources Advisor ensures that the organisation meets its legal responsibilities relating to employment law, safer recruitment principles are adhered to and a positive working culture is provided for all employees.

## Risk Management

A full set of policies on health and safety, financial management, staffing, information security and customer liaison have been established and are reviewed as required and at least every 3 years.

### Safety

The charity has a focus on the safety and security of its entire workforce and customers, particularly as a number of them are vulnerable people. With this in mind:

- All staff are trained first aiders;
- Head Office staff are trained Mental Health first aiders;
- All staff must obtain an enhanced Disclosure and Barring Service check, are encouraged to join the Update Service and are governed by the charity's policy for safeguarding vulnerable adults and children.

The charity's Health and Safety Officer is Nicola Crawford (CEO).

The charity's employer's liability, public and products liability, professional indemnity, Trustees and Director's indemnity and contents insurance policy is provided by Towergate Insurance.

# Statement of Trustees' Responsibilities

The trustees, who are also the directors of Natural Ability for the purpose of company law, are responsible for preparing the Trustees' Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 15<sup>th</sup> December 2025.



**Mr. B. N. Howorth**  
Chair of Trustees



# Company & Charity Information

## Trustees

Bruce N. Howorth (Chair)  
Robert E. H. Philipson  
Mike J. Quinn  
Moya Holmes  
Daisy Gardener  
Calum Nicholson (appointed 11<sup>th</sup> June 2025)

**Registered Company Number**  
6959710

**Charity Number**  
1136665

## Key Management Personnel

Nicola Crawford	Chief Executive and Company Secretary
Kathy Lowe	Finance Manager
Emily Winter	HR Advisor (appointed 28 <sup>th</sup> May 2024)
Fiona Carlile	Senior ISL Manager
Suzanne Keen	Day Services Manager

## Registered Office

West Orchard House  
Allendale Road  
Hexham  
NE46 2DE

## Accountants

Robson Laidler Accountants Ltd  
Fernwood House, Fernwood Road  
Jesmond, Newcastle upon Tyne  
NE2 1TJ

## Bankers

Unity Trust Bank plc  
Nine Brindleyplace  
Birmingham  
B1 2HB



# Independent Auditors' Report

to the members of Natural Ability for the year ended 31 March 2025

## **Opinion**

We have audited the financial statements of Natural Ability (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine 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.

# Independent Auditors' Report

Cont.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

As explained more fully in the statement of Trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The risk of material misstatement due to error or fraud has been assessed in conjunction with how internal controls may mitigate any such risk. These controls are reviewed as part of the audit by performing systems walkthroughs to ensure they are operating effectively. Analytical review and substantive testing is also performed on all material balances and therefore any instances of non-compliance should be identified or considered as insignificant. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team;

# Independent Auditors' Report

Cont.

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework, in which the charity operates and how the charity complies with that legal and regulatory framework
- inquired with management and those charged with governance about their own identification and assessment of the risks of irregularities, including any know actual, suspected or alleged instances of fraud
- discussed with management and those charged with governance any non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

The risk of management override of controls was also considered an area of potential misstatement due to fraud. Audit procedures performed included testing of manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

## Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Nicholas Cunningham MSc BSc FCCA (Senior Statutory Auditor)**

For and on behalf of Robson Laidler Accountants Limited, Statutory Auditor

Fernwood House

Fernwood Road

Jesmond

Newcastle upon Tyne

Tyne and Wear

NE2 1TJ

England

17-12-2025

# Statement of Financial Activities

*(including Income and Expenditure Account)*

## for the year ended 31 March 2025

	Notes	Unrestricted funds	Restricted funds	Total 2025	Total 2024
		£	£	£	£
<b>Income from:</b>					
Grants and donations	4	29,232	82,500	111,732	123,748
Fundraising		121	-	121	190
Charitable activities	5	1,815,160	-	1,815,160	1,357,942
Other income	6	9,114	-	9,114	6,614
Interest receivable		5,109	-	5,109	2,665
<b>Total income</b>		<b>1,858,736</b>	<b>82,500</b>	<b>1,941,236</b>	<b>1,491,159</b>
<b>Expenditure on:</b>					
Raising funds		27,925	-	27,925	26,257
Charitable activities		1,716,159	85,710	1,801,869	1,414,141
<b>Total expenditure</b>	7	<b>1,744,084</b>	<b>85,710</b>	<b>1,829,794</b>	<b>1,440,398</b>
<b>Net income for the year</b>		<b>114,652</b>	<b>(3,210)</b>	<b>111,442</b>	<b>50,761</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		363,947	25,016	388,963	338,202
<b>Total funds carried forward</b>		<b>478,599</b>	<b>21,806</b>	<b>500,405</b>	<b>338,963</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# Balance Sheet

## as at 31 March 2025

	Notes	2025 £	2024 £
<b>Fixed assets</b>			
Tangible assets	11	66,070	35,733
<b>Current assets</b>			
Debtors	12	79,163	120,292
Cash at bank	13	438,178	308,948
Cash in hand		1,056	1,127
		<u>518,397</u>	<u>430,367</u>
<b>Creditors: amounts falling due within one year</b>	14	(84,062)	(77,137)
<b>Net current assets</b>		<u>434,335</u>	<u>353,230</u>
<b>Net assets</b>		<u>500,405</u>	<u>388,963</u>
<b>Charity funds:</b>			
Unrestricted funds	17	478,599	363,947
Restricted funds	18	21,806	25,016
<b>Total</b>		<u>500,405</u>	<u>388,963</u>

Approved by the Board of Trustees on .....15<sup>th</sup> December..... 2025 and signed on their behalf by:



**Mr. B. N. Howorth**  
Chair of Trustees

Company registration number 6959710 (England and Wales)

# Cash Flow Statement

## for the year ended 31 March 2025

	Notes	2025	2024
		£	£
<b>Cash generated from operations</b>			
Surplus on ordinary activities		111,442	50,761
Reconciliation to cash generated from operations:			
Depreciation		16,559	10,317
Increase/(Decrease) in creditors		6,925	12,915
Decrease/(Increase) in debtors		41,129	(21,749)
Purchase of tangible assets		(46,896)	(18,194)
Proceeds from sale of tangible assets		5,250	-
Profit on disposal of tangible assets		(5,250)	-
Increase in cash and cash equivalents		129,159	34,050
<b>Reconciliation of funds</b>			
Total funds brought forward:			
Cash at bank and in hand brought forward as at 1 <sup>st</sup> April 2024		310,075	276,025
Net movement in cash		129,159	34,050
<b>Total funds carried forward:</b>			
Cash at bank and in hand carried forward at 31 <sup>st</sup> March 2025		439,234	310,075

# Notes to the financial statements

## for the year ended 31 March 2025

### 1. Legal status of the charity

The charity is a company limited by guarantee and, as such, no shares are issued. The liability of each member in the event of winding up is limited to £1.

### 2. Accounting policies

#### a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Natural Ability meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### b) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### c) Fund accounting – unrestricted and restricted funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity without further specified purpose.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions given by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment costs.

Depreciation is charged at rates calculated to write down the cost of assets (excluding freehold land) over their estimated useful lives at the following rates:

Plant, equipment & furniture	15% reducing balance
I.T equipment	25% straight line
Vehicles	15% straight line

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the proceeds of sale and the carrying amount of the asset and is recognised in income or expenditure.

# Notes to the financial statements

## for the year ended 31 March 2025

**e) Income recognition**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received. Income from charitable activities received to deliver services is recognised within the relevant period. Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank. Donated services and facilities are included where the amounts concerned can be quantified.

**f) Deferred income**

In the past, grant income received was held as deferred income and released to the income and expenditure account in the period in which the related expense was incurred. During 2024/25 no income was held as deferred income and none was released to the income and expenditure account.

**g) Expenditure recognition**

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure on raising funds comprise the costs incurred in raising income from grants and donations. Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity. Governance costs represents costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. Support costs relating to more than one activity are allocated on the basis of staff time spent.

**h) Cash at bank**

Cash at bank consists of a Unity Trust Bank plc current account and a Unity Trust Bank plc instant access savings account.

**i) Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**j) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**k) Financial instruments**

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

**l) Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. The charity contribution in the year is disclosed in note 16. The pension scheme is managed by Nest Corporation. The charity has no liability beyond making its contributions and paying across the deductions of employees' contributions.

# Notes to the financial statements

## for the year ended 31 March 2025

### 3. Comparative Statement of Financial Activities

Notes	Unrestricted funds £	Restricted funds £	Total 2024 £
<b>Income from:</b>			
Grants and donations	12,284	111,464	123,748
Fundraising	190	-	190
Charitable activities	1,357,942	-	1,357,942
Other income	6,614	-	6,614
Interest receivable	2,665	-	2,665
<b>Total income</b>	1,379,695	111,464	1,491,159
<b>Expenditure on:</b>			
Raising funds	26,257	-	26,257
Charitable activities	1,324,600	89,541	1,414,141
<b>Total expenditure</b>	1,350,857	89,541	1,440,398
<b>Net income for the year</b>	28,838	21,923	50,761
<b>Reconciliation of funds</b>			
Total funds brought forward	335,109	3,093	338,202
<b>Total funds carried forward</b>	363,947	25,016	388,963

# Notes to the financial statements

## for the year ended 31 March 2025

#### 4. Grants and donations

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Baily Thomas Charitable Fund	-	-	-	15,000
CLA Charitable Trust	-	-	-	4,000
David Solomons Charitable Trust	-	500	500	-
Egger UK Ltd	12,972	-	12,972	10,000
Hadrian Trust	-	-	-	1,000
The Ballinger Trust	15,000	-	15,000	-
The Bruce Wake Charity	-	2,000	2,000	-
The Catherine Cookson Charitable Trust	-	-	-	1,000
The Clothworkers Foundation	-	-	-	21,500
The D'Oyly Carte Charitable Trust	-	5,000	5,000	-
The Hedley Foundation	-	-	-	3,000
The Henry Smith Charity	-	60,000	60,000	60,000
The Rothley Trust	-	-	-	1,250
The Screwfix Foundation	-	-	-	4,714
The Sir James Knott Charitable Trust	-	15,000	15,000	-
Vercelli Restaurant LLP	-	-	-	1,291
Other Donations	1,260	-	1,260	993
	<u>29,232</u>	<u>82,500</u>	<u>111,732</u>	<u>123,748</u>

#### 5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Day Farming Fees	55,273	-	55,273	50,346
Handyperson Service	5,477	-	5,477	4,705
Independent Supported Living Programmes	1,670,519	-	1,670,519	1,284,917
Other	2,498	-	2,498	100
The Orchard Fees	80,806	-	80,806	17,507
Towards Independence Enabling	587	-	587	367
	<u>1,815,160</u>	<u>-</u>	<u>1,815,160</u>	<u>1,357,942</u>

#### 6. Other Income

	2025 £	2024 £
Profit on disposal of tangible asset	5,250	-
Settlement of insurance claim	3,864	6,614
	<u>9,114</u>	<u>6,614</u>

# Notes to the financial statements

## for the year ended 31 March 2025

### 7. Total expenditure

	Raising Funds	Charitable activities	Governance costs	Total 2025	Total 2024
	£	£	£	£	£
<b>Direct costs</b>					
Bad Debt	-	210	-	210	44
Day Farming costs	-	1,970	-	1,970	2,031
Depreciation	-	16,559	-	16,559	10,317
Fundraising costs	-	-	-	-	-
Handyperson costs	-	111	-	111	-
Independent Supported Living costs	-	7,506	-	7,506	7,136
Staff costs	-	1,456,459	-	1,456,459	1,121,177
The Orchard Costs	-	5,673	-	5,673	10,469
Vehicle costs	-	13,848	-	13,848	7,516
Volunteer costs	-	-	-	-	6
<b>Allocated support costs</b>					
Staff costs	23,795	158,551	10,519	192,865	174,727
Office costs	4,130	117,813	4,130	126,073	100,975
Professional fees	-	-	8,520	8,520	6,000
	<u>27,925</u>	<u>1,778,700</u>	<u>23,169</u>	<u>1,829,794</u>	<u>1,440,398</u>

### 8. Net incoming/(outgoing) reserves

Net incoming/(outgoing) resources for the year include:

	2025	2024
	£	£
Depreciation	16,559	10,317
Auditors' remuneration	8,520	6,000
	<u>25,079</u>	<u>16,317</u>

### 9. Analysis of staff costs, and the cost of key management personnel

The aggregate staff costs were:

	2025	2024
	£	£
Wages and salaries	1,451,817	1,176,024
Social security costs	129,405	97,339
Pension costs	68,102	22,541
	<u>1,649,324</u>	<u>1,295,904</u>

The charity considers its key management personnel comprise the Trustees, the Chief Executive Officer, the Finance Manager, the HR Advisor, the Senior ISL Manager and the Day Services Manager. The total employment benefits of the key management personnel were £224,266 (2024: £221,124).

# Notes to the financial statements

## for the year ended 31 March 2025

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025	2024
	No.	No.
£60,001 - £70,000	1	1

The average number of staff during the year was 66 (2024: 54).

### 10. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

### 11. Tangible fixed assets

	Motor Vehicles	I.T. equipment	Plant, equipment & furniture	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2024	55,050	31,030	23,830	109,910
Additions	35,599	3,020	8,277	46,896
Disposals	(31,015)	-	-	(31,015)
<b>At 31 March 2025</b>	59,634	34,050	32,107	125,791
<b>Depreciation</b>				
At 1 April 2024	41,830	24,475	7,872	74,177
Charge for the year	8,945	3,978	3,636	16,559
Disposals	(31,015)	-	-	(31,015)
<b>At 31 March 2025</b>	19,760	28,453	11,508	59,721
<b>Net book value</b>				
<b>At 31 March 2025</b>	39,874	5,597	20,599	66,070
At 31 March 2024	13,220	6,555	15,958	35,733

### 12. Debtors

	2025	2024
	£	£
Trade debtors	39,126	116,404
Prepayments and accrued income	40,037	3,888
	79,163	120,292

# Notes to the financial statements

## for the year ended 31 March 2025

### 13. Cash at Bank

	2025	2024
	£	£
Unity Trust Bank Current Account	229,731	205,609
Unity Trust Bank Savings Account	208,447	103,339
	<u>438,178</u>	<u>308,948</u>

### 14. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	489	1,208
Other taxation and social security	42,611	38,452
Accruals and deferred income	40,962	37,477
	<u>84,062</u>	<u>77,137</u>

### 15. Commitments under operating leases

At 31 March 2025 future minimum rentals payable under non-cancellable operating leases are as follows:

	2025	2024
	£	£
Within one year	996	2,263
In two to five years	2,822	5,853
	<u>3,818</u>	<u>8,116</u>

### 16. Pension

#### Defined contribution pension schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £68,102 (2024 - £22,541).

# Notes to the financial statements

## for the year ended 31 March 2025

### 17. Unrestricted funds

#### Year ended 31 March 2025

	At 1- Apr-24 £	Income £	Expenditure £	Transfer £	At 31- Mar-25 £
Unrestricted funds	326,947	1,858,736	(1,738,744)	(18,340)	428,599
Designated funds					
Buildings Fund	-	-	-	50,000	50,000
Replacement vehicle(s)	37,000	-	(5,340)	(31,660)	-
	<u>363,947</u>	<u>1,858,736</u>	<u>(1,744,084)</u>	<u>-</u>	<u>478,599</u>

#### Year ended 31 March 2024

	At 1- Apr-23 £	Income £	Expenditure £	Transfer £	At 31- Mar-24 £
Unrestricted funds	335,109	1,379,695	(1,350,857)	(37,000)	326,947
Designated funds	-	-	-	37,000	37,000
Replacement vehicle(s)					
	<u>335,109</u>	<u>1,379,695</u>	<u>(1,350,857)</u>	<u>-</u>	<u>363,947</u>

#### Designated funds

Replacement vehicle(s) – relates to funds set aside to replace vehicles.  
Buildings fund – relates to funds set aside to purchase a building.

### 18. Restricted income funds

#### Year ended 31 March 2025

	At 1- Apr-24 £	Income £	Expenditure £	Transfer £	At 31- Mar-25 £
Baily Thomas Charitable Foundation	15,000	-	(13,850)	-	1,150
Boshier-Hinton Foundation	1,910	-	(1,209)	-	701
David Solomons Charitable Trust	-	500	(500)	-	-
The Bruce Wake Charity	-	2,000	-	-	2,000
The Clothworkers Foundation	7,582	-	(4,627)	-	2,955
The D'Oyly Carte Charitable Trust	-	5,000	(5,000)	-	-
The Hedley Foundation	500	-	(500)	-	-
The Henry Smith Charity	-	60,000	(60,000)	-	-
The Rothley Trust	24	-	(24)	-	-
The Sir James Knott Charitable Trust	-	15,000	-	-	15,000
	<u>25,016</u>	<u>82,500</u>	<u>(85,710)</u>	<u>-</u>	<u>21,806</u>

# Notes to the financial statements

## for the year ended 31 March 2025

The Baily Thomas Charitable Foundation grant was towards The Orchard project: Sensory Room/wellbeing space and equipment library costs.

The Boshier Hinton Foundation grant was for a summer activities programme.

The David Solomons Charitable Trust grant was towards the costs of running our Day Farming service.

The Bruce Wake Charity grant was towards an accessible ramp.

The Clothworkers Foundation grant was towards refurbishment of spaces within The Orchard project.

The D'Oyly Carte Charitable Trust grant was towards the costs of running our Day Farming service.

The Hedley Foundation grant was towards the Sensory Room/wellbeing space.

The Henry Smith Charity grant was towards the cost of running the Day Farming and Handy Person services.

The Rothley Trust grant was towards furniture and equipment within The Orchard project.

The Sir James Knott Charitable Trust grant was towards our Community Engagement project.

### 19. Analysis of funds

#### Year ended 31 March 2025

	Unrestricted funds	Restricted funds	Total 2025
	£	£	£
Fixed assets	66,070	-	66,070
Net current assets	412,529	21,806	434,335
	<u>478,599</u>	<u>21,806</u>	<u>500,405</u>

#### Year ended 31 March 2024

	Unrestricted funds	Restricted funds	Total 2024
	£	£	£
Fixed assets	35,733	-	35,733
Net current assets	328,214	25,016	353,230
	<u>363,947</u>	<u>25,016</u>	<u>388,963</u>

### 20. Related parties

The husband of the CEO did some refurbishment and maintenance work, on an arms-length basis, during the year to the value of £8,709.73.

There have been no other transactions incurred with related parties during the period (2024 – none).

# Thanks

Natural Ability would like to thank all of our Grant Funders, donors and fundraisers who give us the scope to improve and enhance the services we offer.

**The  
Henry Smith  
Charity**  
founded in 1628

  
**BALLINGER**  
CHARITABLE TRUST

  
**EGGER**  
MORE FROM WOOD.

  
SIR JAMES KNOTT TRUST

 The D'Oyly Carte Charitable Trust

  
Bruce Wake  
Charitable Trust

**David Solomons  
Charitable Trust**

**Trevor and Barbara Went**

---

We would also like to thank all of our wonderful staff for their continued hard work and dedication.

 **natural  
ability**

**Natural Ability**  
West Orchard House  
Allendale Road  
Hexham, NE46 2DE  
01434 618149  
[www.naturalability.org](http://www.naturalability.org)  
[info@naturalability.org](mailto:info@naturalability.org)



**NATURAL ABILITY**

England & Wales - Charity number 1136665

---

# Accounts

---



# Trustee's Annual Report & Accounts

2023-2024

 natural  
ability

# Contents

<b>Introduction from our Chair of Trustees and CEO</b>	<b>1</b>
--	----------

<b>Trustees Report</b>	<b>2</b>
------------------------	----------

Vision, Mission and Values	2
----------------------------	---

Current Activities	3
--------------------	---

Achievements and Performance	4
------------------------------	---

Independent Supported Living review	5
-------------------------------------	---

Day Farming review	6
--------------------	---

Handyperson Service review	8
----------------------------	---

The Orchard review	9
--------------------	---

Towards Independence Enabling review	10
--------------------------------------	----

Grants, donations and fundraising	11
-----------------------------------	----

Plans for the future	12
----------------------	----

Financial review	13
------------------	----

Structure, governance and management	14
--------------------------------------	----

Statement of Trustees' Responsibilities	15
---	----

Company and charity information	16
---------------------------------	----

<b>Independent Auditor's Report to the Members of Natural Ability</b>	<b>17</b>
---	-----------

<b>Financial Statements</b>	<b>20</b>
-----------------------------	-----------

Statement of financial activities	20
-----------------------------------	----

Balance sheet	21
---------------	----

Cash flow statement	22
---------------------	----

Notes to the financial statements	23
-----------------------------------	----

<b>Thanks</b>	<b>32</b>
---------------	-----------



# Introduction from our Chair of Trustees and CEO



Bruce Howorth  
Chair of Trustees

It's now been almost a year since The Orchard opened and the development has been up to and beyond expectations. In terms of the vision, the quality and the scope of the work that has been done on site, it's just fantastic. The fact that occupancy is as high as it is, is an indication of how well we have tuned in the work that has been done to what is needed in this area. Massive congratulations to the project team!

The continuation of the ISL service, which continues to be a massive driver for our work in Hexham, is superb and the financial return from this is also very important.

Grant funding has continued to be strong and the fact that we've developed relationships with local businesses has been a major contributing factor, which is a great step forward for us.

All of this growth and development is done whilst still retaining our ethos and keeping those words in mind - "Respectful, Responsive, Unique". It is fantastic that everything we are doing is building and empowering the people we support to live their best lives and that is very commendable.

Finally, the fact that we are now talking about development work for next year and the year after shows a very strong organisation. We're not just sitting on our laurels and thinking "haven't we done well", but we are taking what we do really well and are growing, bringing it to new people and developing it organically to increase our reach for the benefit of those people that access our services, which is tremendous.

Operationally, it's been a busy year for Natural Ability. We've welcomed two new people into the service, expanding our support to 15 individuals over 11 services. Alongside this our ISL staff team has grown significantly and, with 47 members, we're fully staffed, which is a fantastic achievement! This year has also brought several service improvements including the introduction of electronic care records and our new training platform, both of which enhance efficiency and the quality of care we provide.

The people we support have had an action packed year enjoying trips to Blackpool, Bath, Manchester and even Lanzarote! We also saw ISL and Day Services coming together for the Natural Ability summer BBQ and our annual trip to Beamish Museum.

The Day Farming and Handyperson teams have been very busy. The horticulture group has been hard at work tending their gardens as well as creating a new rockery with a willow border and a willow sculpture in the grounds of West Orchard House. Meanwhile, the farming group has been busy with seasonal farm tasks including lambing, sheep shearing and dry stone walling. The walking group have enjoyed walking what seems like the whole of the North East!

The Orchard programme has been thriving, offering a jam-packed schedule tailored to the interests and goals of its attendees. As they worked through their 'My Journey' folders, the programme remained fully participant-led, ensuring that everyone had the opportunity to shape their own experiences.

With so much growth, achievement and adventure, this year has truly been one to celebrate. We can't wait to see what the next year brings!



Nicola Crawford  
Chief Executive Officer

# Our Vision

That people with learning disabilities lead fulfilling lives. Their potential is achieved and they are valued and contributing members of their community.

# Our Mission

To improve the health, wellbeing and success of people with learning disabilities by providing respectful, responsive and unique services.

# Our Values

## INDEPENDENCE

We believe that every person should be able to live independent lives in whatever form that takes for them. We want every person we support to have choice, opportunities and aspirations, and we will work alongside them to achieve their potential.

## CARING

We treat every person with kindness and patience. We treat people as individuals with dignity and respect. We promote equality and inclusion for all.

## BESPOKE

We ensure our services are responsive to individuals. Our support is person centred and adapted to best meet the needs of each person, enabling and empowering them to strive towards their ambitions.

## SAFE

We provide a safe environment for the people we support. We do not believe in limitations, believing that everyone has the potential for personal achievement, well beyond their own and other people's expectations. We are not risk averse - we work with individuals to manage the risk safely.



## CHALLENGE

We do not accept that 'the way things are' is the way things necessarily have to be. We will challenge and lobby to change the way things are done to ensure that individuality is at the centre of all decisions made about a person. We will encourage individuals to have a voice.

# Current Activities

## 1 Independent Supported Living (ISL)

Natural Ability continues to provide an ISL service across West Northumberland to support people to live independently in their own homes. The people who use our service are supported to have choice and control over all aspects of their lives. These choices can include where they live, who they live with and what activities and community engagement they choose to participate in to enrich their daily lives.

## 3 Towards Independence & Enabling

This service offers alternative education and training to post-16 year olds. Individuals can work towards building their knowledge and experience in a wide range of subjects with a focus on life skills, social skills, employability and working towards independence.

## 2 Day Services

### DAY FARMING

Individuals using our Day Farming service can access a wide range of opportunities working outdoors in the North Pennines and surrounding areas. As well as providing the people who use our service with a sense of physical and psychological wellbeing, we provide rural training and work experience. The service works in partnership with the local farming community, therefore enabling our Day Farmers to work as part of a team to develop and support the work of farms, community gardens and other community activities.

### HANDYPERSON SERVICE

This service provides people with learning disabilities a valuable employment opportunity working within their local community. The Handy person team work alongside a skilled and experienced supervisor taking on jobs such as gardening, landscaping, fencing, painting and decorating. This service is growing rapidly, developing the skills of those involved whilst also building community links, community inclusion and strengthening supportive work placed opportunities for those perceived to be furthest from the labour market.

### THE ORCHARD

The Orchard provides a predominantly indoor, fully accessible day service based in central Hexham, available to people with learning and other disabilities. The Orchard provides a welcoming environment where individuals can engage in a variety of activities, build skills, learn and participate in social activities. This service offers a comprehensive programme of modules tailored to the diverse interests and needs of participants, ensuring a broad and enriching experience.



# Achievements & Performance



The year ended 31 March 2024 has been a year of growth for Natural Ability, mainly centred around our new premises at West Orchard House in central Hexham. Decorating and minor renovation of the ground floor of the building commenced and meant that our new centre for Day Services, called The Orchard, was opened mid-way through the year. We held our first Open Day for The Orchard in the spring and then the centre opened for two days per week from the Autumn. By the following spring, both days were full and plans were made to open for a third day.

Egger (UK) Ltd are Hexham's largest employer and, as their headline charity, we were incredibly grateful to receive the benefit of several fundraising events held by their staff. Our attendees were thrilled to be given a tour of the factory and our Handyperson team are now regularly carrying out maintenance work in the grounds.



# Independent Supported Living



We now support a total of

# 15

people to live independently in their own homes

It has been another year full of wonderful activities for the people we support in ISL, including trips to theme parks, picnics, bowling, bike rides, trips abroad, taking part in a local theatre production and even being an extra on ITV's Vera!

The service has taken the leap to full digitisation of records with the implementation of a comprehensive case management system. This saves time and resources for all involved and our staff have learned and adapted to the new system well.



We provided more than

# 78,000

hours of support in ISL over the year

# Day Farming

As our flagship service, Day Farming is very important to Natural Ability and we have continued to run the service successfully. This service continues to be supported by grant funding and we are constantly working on making the service more sustainable. As a result of the opening of The Orchard centre, Day Farming was reduced to operating on 3 days per week, however with continued funding and interest, we will look to increasing these days again in future. Over the year, Day Farming provided 15 people with 765 days of services in total.

Day Farming provided

# 765

days of services to attendees during the year



The Day Farming service has continued to attend various farms in the area, giving the attendees experience in the wide variety of skills possessed by all farmers. We attended the North Sheep event and our attendees enjoyed seeing a variety of breeds of sheep, clipping demonstrations and touring the host farm. Attendees have also enjoyed bedding animal pens, repairing fences, building stone walls and of course working with the lambs and kid goats.

# Day Farming

On gardening days, the team have been busy looking after our existing garden at the Sinderhope Community Centre, successfully growing and harvesting various produce, creating a new fire pit and adding tadpoles and native fish to their wildlife pond. There has been maintenance work to do in the grounds at West Orchard House and the team have also created some flower borders, a rockery with a woven willow border and a live willow sculpture which will become a lovely seating area. Plans are also being made to create an accessible sensory garden in the grounds.



Our walking group walked more than

# 200

miles during the year

The walking day continues to be popular with attendees and is currently full. We are considering offering a second walking day so that we can accommodate people with differing levels of ability and offer a wider variety of routes. Attendees enjoy using maps to plan routes themselves, navigate and find points of interest.



# Handyperson Service

The Handyperson service has provided employment for 5 people with learning difficulties, with regular and ad-hoc jobs in various private gardens, community gardens, a community litter-pick and grounds maintenance at Egger (UK) Ltd's Hexham premises.



“X has recently moved to your service - they love it!”

“We have a good day, yeah.”

The team work very hard and endeavour to complete any job asked of them. They take great pride in their work and love to receive feedback from the people they work for. Work can be challenging for them during inclement weather but they always persevere and get the job done.

The Handyperson Service worked more than

# 392

hours during the year

# The Orchard



We were excited to open our new service, The Orchard, in September 2023 to provide an adult-appropriate day service with a varied and interesting programme including continuous learning opportunities. The Orchard sessions are structured so that there is learning and research in the morning, followed by a related practical activity. After lunch, sessions focus on social, fitness or wellbeing activities. We find that structuring days in this way allows people to be focused in the morning sessions with a natural wind-down in the afternoon.

As part of The Orchard, we have created a Sensory and Wellbeing Room. This flexible space is useful for people with sensory-processing difficulties who need some time out from a group setting, or just for a quiet space. We have also been able to open this space up for the local community to hire for a small fee, providing a valuable resource to the community.

**“Wonderful  
staff.”**

**“Happy with  
everything.”**



# Towards Independence Enabling

A bespoke Towards Independence Learning Hub is in the process of being refurbished as a facility for both Day Services and for Enabling. The Hub will include a mock-up of a fully furnished small flat, complete with kitchen and bathroom, where we plan to offer learning opportunities for essential independent living skills.



We will be looking to increase our provision of Enabling, particularly at weekends, in the coming year and welcome any referrals. Our website has recently been updated to include all Enabling referral details.

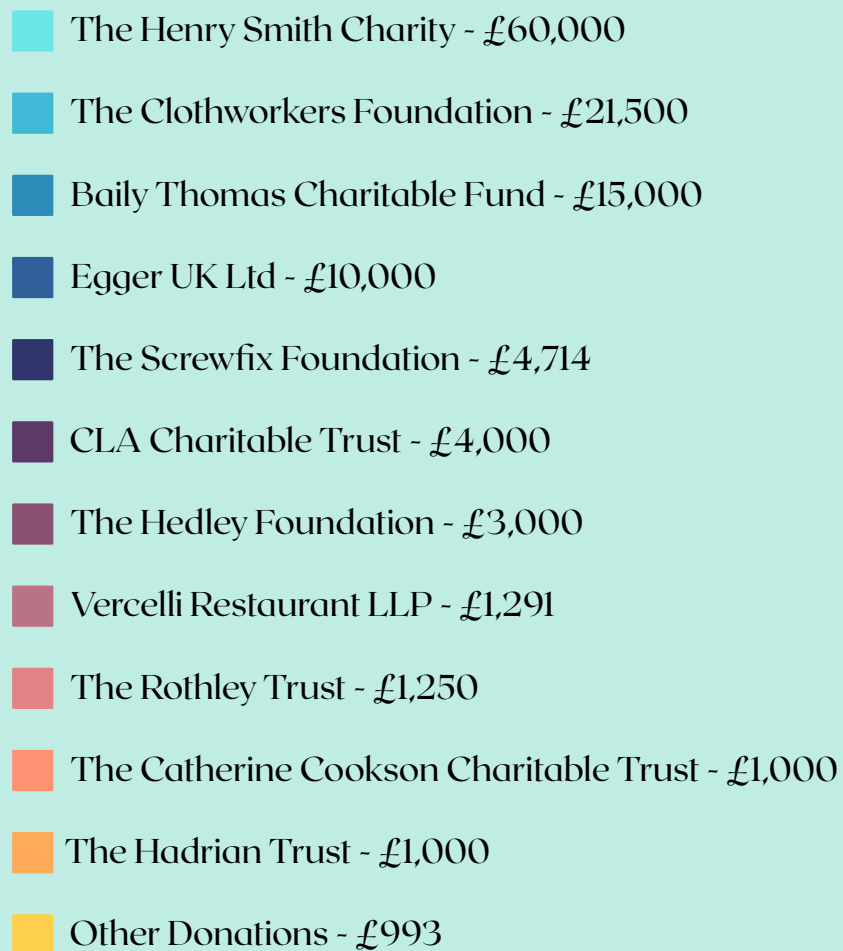


**“I find all the people and staff very friendly and approachable.”**

# Grants, Donations & Fundraising

Grant funding generated in the year totalled £122,755 (2023: £106,136) with the main funders being The Henry Smith Charity, The Clothworkers Foundation and the Baily Thomas Charitable Fund.

Other Donations were received in the amount of £993 (2023: £1,005) and fundraising in the amount of £190 (2023: £1,794). Natural Ability does not carry out dedicated fundraising activities. Funds raised during the year resulted from membership of the Northumberland Lottery scheme and a fundraising event held by an individual on the charity's behalf.



# Plans for the Future

Natural Ability is committed to continuing to grow the organisation to enable more individuals to benefit from the services provided. A strategic plan is currently being worked towards and will be reviewed in due course.



The current priority is to continue to develop West Orchard House to enhance and increase the services provided:

- The Orchard Day Service - to increase the days of operation until the service is operating fully Monday to Friday.
- Towards Independence Hub - to continue to develop the Towards Independence and Enabling space and to offer extended services at weekends.
- The development of additional activities, projects and courses delivered on evenings and weekends, therefore opening the facilities to individuals not currently receiving support from any Natural Ability services.
- Research and consultation to create an Enterprise Hub, thereby utilising the large garage space and grounds of West Orchard House, to give service users the opportunity to be part of a social enterprise initiative.

# Financial Review

The net income for the year was £50,761 (net income 2023: £27,989) as disclosed in the Statement of Financial Activities on page 20. Unrestricted funds at the year-end were £363,947 (2023: £335,109).

The principal source of income comprised earned income of £1,357,942 (2023: £1,236,518), with a further £123,938 (2023: £108,935) in grants, donations and fundraising.

The year ending 31 March 2024 saw an increase of 9.8% in earned income and an increase of 15% in grant income. The proportion of earned income for the year ending 31 March 2023 was 91% (2023: 92%).

## Reserves Policy

It is the policy of the charity to seek to establish and maintain a reserves fund based on a business risk assessment to cover 6 months' core operating costs, redundancies, lease obligations and a contingency for unexpected expenses. The reserves policy figure deemed necessary at 31 March 2024 was £250,000. Unrestricted funds at the year-end were £363,947 (2023: £335,109) which means that the charity can meet the reserves figure as required by the policy.

The Trustees have designated £37,000 of remaining unrestricted reserves for the purpose of replacing motor vehicles in 2024/25 and this has been spent post year end. £35,733 is designated as tangible fixed assets. The remaining free reserves are held and added to on the basis that the charity plans to invest in capital buildings in the future and reserves will be required to form a deposit.

The Trustees review both the policy and the reserves position on a regular basis.

	As at 31 March 2024
Unrestricted Reserves	£363,947
Deduct: Tangible fixed assets	(£35,733)
Reserves designated for replacement vehicles	(£37,000)
Free Reserves	£291,214
Reserves Policy requirements	(£250,000)
<b>Available Free Reserves</b>	<b>£41,214</b>

## Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Annual budgets are monitored on a monthly basis. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

### Public Benefit

The trustees have had regards to the Charity Commission's guidance on their legal duty on public benefit, and are satisfied that the charitable company delivers public benefit. Due regard is paid to the guidance on public benefit whilst reviewing the charitable company's aim and objectives and also when planning future objects and deciding what new projects the charitable company should undertake.

# Structure, Governance & Management

The financial statements comply with current statutory requirements, the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## Governing document

Natural Ability is a company limited by guarantee and is governed by its memorandum and articles of association dated 3 May 2010. It was registered with the Charity Commission on 30 June 2010.

## Appointment of Trustees

The Trustees are directors for the purposes of company law and the members of the charity must become Trustees. The number of Trustees must not be less than three and not more than nine persons.

## Induction and training of Trustees

The induction and training of Trustees is dealt with according to individual need. Trustees usually have prior professional or charity knowledge and experience.

## Organisation

The charity is managed by the Trustees, who meet approximately four times a year. Three Trustees are needed for a quorum. The Trustees who have served during the year are set out on the Company and Charity Information page.

The Trustees are responsible for the leadership, strategic development and effectiveness of the charity. The Chief Executive Officer controls day to day operations, the delivery of services and the development of new business.

The Business Development Manager is responsible for the development of new services and procurement of grant funding.

The Finance Manager is responsible for all finance functions and oversees facility management of Head Office. The Services Managers ensure that service delivery processes are effective, safe, high quality and meet regulatory requirements relating to the care and support for the people who use Natural Ability.

The Human Resources Advisor ensures that the organisation meets its legal responsibilities relating to employment law, safer recruitment principles are adhered to and a positive working culture is provided for all employees.

## Risk Management

A full set of policies on health and safety, financial management, staffing, information security and customer liaison have been established and are reviewed as required and at least every 3 years.

### Safety

The charity has a focus on the safety and security of its entire workforce and customers, particularly as a number of them are vulnerable people. With this in mind:

- All staff are trained first aiders;
- Head Office staff are trained Mental Health first aiders;
- All staff must obtain an enhanced Disclosure and Barring Service check, are encouraged to join the Update Service and are governed by the charity's policy for safeguarding vulnerable adults and children.

The charity's Health and Safety Officer is Nicola Crawford (CEO).

The charity's employer's liability, public and products liability, professional indemnity, Trustees and Director's indemnity and contents insurance policy is provided by Towergate Insurance.

# Statement of Trustees' Responsibilities

The trustees (who are also directors of Natural Ability for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is 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 auditor is aware of that information.

## Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

This report was approved by the Trustees on ...4/12/24.....

Mr. B. N. Howorth  
Chair of Trustees



# Company & Charity Information

## Trustees

Bruce N. Howorth (Chair)  
Robert E. H. Philipson  
Mike J. Quinn  
Moya Holmes  
Daisy Gardener

**Registered Company Number**  
6959710

**Charity Number**  
1136665

## Key Management Personnel

Nicola Crawford	Chief Executive and Company Secretary
Janice Walker	Business Development Manager
Kathy Lowe	Finance Manager
Michelle Sharman	HR Advisor
Fiona Carlile	Senior ISL Manager
Suzanne Keen	Day Services Manager

## Registered Office

West Orchard House  
Allendale Road  
Hexham  
NE46 2DE

## Accountants

Evelyn Partners  
17 Queen's Lane  
Newcastle upon Tyne  
NE1 1RN

## Bankers

Unity Trust Bank plc  
Nine Brindleyplace  
Birmingham  
B1 2HB



# Independent Auditors' Report

to the members of Natural Ability for the year ended 31 March 2024

## Opinion

We have audited the financial statements of Natural Ability (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 group's or parent 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

# Independent Auditors' Report

Cont.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of our 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 10, 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.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

# Independent Auditors' Report

Cont.

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

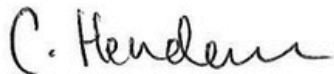
- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of those charged with governance;
- assessing the risk of management override including identifying and testing journal entries;
- confirmation received directly from the banks to verify the balance at 31 March 2024.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Craig Henderson (Senior Statutory Auditor)**  
**For and on behalf of CLA Evelyn Partners Limited**

9<sup>th</sup> December 2024

Statutory Auditors

17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN

# Statement of Financial Activities

*(including Income and Expenditure Account)*

## for the year ended 31 March 2024

	Notes	Unrestricted funds	Restricted funds	Total 2024	Total 2023
		£	£	£	£
<b>Income from:</b>					
Grants and donations	4	12,284	111,464	123,748	105,898
Fundraising		190	-	190	1,794
Charitable activities	5	1,357,942	-	1,357,942	1,236,518
Other income	6	6,614	-	6,614	-
Interest receivable		2,665	-	2,665	795
<b>Total income</b>		<b>1,379,695</b>	<b>111,464</b>	<b>1,491,159</b>	<b>1,345,005</b>
<b>Expenditure on:</b>					
Raising funds		26,257	-	26,257	26,326
Charitable activities		1,324,600	89,541	1,414,871	1,290,690
<b>Total expenditure</b>	7	<b>1,350,857</b>	<b>89,541</b>	<b>1,440,398</b>	<b>1,317,016</b>
<b>Net income for the year</b>		<b>28,838</b>	<b>21,923</b>	<b>50,761</b>	<b>27,989</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		335,109	3,093	338,202	310,213
<b>Total funds carried forward</b>		<b>363,947</b>	<b>25,016</b>	<b>388,963</b>	<b>338,202</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

# Balance Sheet

## as at 31 March 2024

	Notes	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	11	35,733	27,586
<b>Current assets</b>			
Debtors	12	120,292	98,543
Cash at bank	13	308,948	274,848
Cash in hand		1,127	1,177
		<u>430,367</u>	<u>374,568</u>
<b>Creditors: amounts falling due within one year</b>	14	(77,137)	(64,222)
<b>Net current assets</b>		<u>353,230</u>	<u>310,346</u>
<b>Net assets</b>		<u>388,963</u>	<u>338,202</u>
<b>Charity funds:</b>			
Unrestricted funds	17	363,947	335,109
Restricted funds	18	25,016	3,093
<b>Total</b>		<u>388,963</u>	<u>338,202</u>

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

Approved by the Board of Trustees on 4/12/24..... 2024 and signed on their behalf by:

Mr. B. N. Howorth  
Chair of Trustees



# Cash Flow Statement

## for the year ended 31 March 2024

	Notes	2024	2023
		£	£
<b>Cash generated from operations</b>			
Surplus on ordinary activities		50,761	27,989
Reconciliation to cash generated from operations:			
Depreciation		10,317	7,733
Increase/(Decrease) in creditors		12,915	10,329
Decrease/(Increase) in debtors		(21,749)	(69,381)
Purchase of tangible assets		(18,194)	(3,531)
Proceeds from sale of tangible assets		-	4,500
Profit on disposal of tangible assets		-	(941)
		34,050	(23,302)
<b>Reconciliation of funds</b>			
Total funds brought forward:			
Cash at bank and in hand brought forward as at 1 <sup>st</sup> April		276,025	299,327
Net movement in cash		34,050	(23,302)
<b>Total funds carried forward:</b>			
Cash at bank and in hand carried forward at 31 <sup>st</sup> March		310,075	276,025

# Notes to the financial statements

## for the year ended 31 March 2024

### 1. Legal status of the charity

The charity is a company limited by guarantee and, as such, no shares are issued. The liability of each member in the event of winding up is limited to £1.

### 2. Accounting policies

#### a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Natural Ability meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### b) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### c) Fund accounting – unrestricted and restricted funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity without further specified purpose.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions given by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment costs.

Depreciation is charged at rates calculated to write down the cost of assets (excluding freehold land) over their estimated useful lives at the following rates:

Freehold buildings	2% straight line
Plant, equipment & furniture	15% reducing balance
Fixtures and equipment	20% straight line
I.T equipment	25% straight line
Vehicles	15% straight line

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the proceeds of sale and the carrying amount of the asset and is recognised in income or expenditure.

# Notes to the financial statements

## for the year ended 31 March 2024

**e) Income recognition**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities received to deliver services is recognised within the relevant period.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

Donated services and facilities are included where the amounts concerned can be quantified.

**f) Deferred income**

In the past, grant income received was held as deferred income and released to the income and expenditure account in the period in which the related expense was incurred. During 2022/23 no income was held as deferred income and none was released to the income and expenditure account.

**g) Expenditure recognition**

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprise the costs incurred in raising income from grants and donations.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Governance costs represents costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Support costs relating to more than one activity are allocated on the basis of staff time spent.

**h) Cash at bank**

Cash at bank consists of a Unity Trust Bank plc current account and a Unity Trust Bank plc instant access savings account.

**i) Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**j) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**k) Financial instruments**

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

**l) Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. The charity contribution in the year is disclosed in note 5. The pension scheme is managed by Nest Corporation. The charity has no liability beyond making its contributions and paying across the deductions of employees' contributions.

# Notes to the financial statements

## for the year ended 31 March 2024

### 3. Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Income from:</b>				
Grants and donations		93,641	13,500	107,141
Fundraising		1,794	-	1,794
Charitable activities		1,235,275	-	1,235,275
Interest receivable		795	-	795
<b>Total income</b>		<b>1,331,505</b>	<b>13,500</b>	<b>1,345,005</b>
<b>Expenditure on:</b>				
Raising funds		22,326	-	22,326
Charitable activities		1,270,674	20,016	1,290,690
<b>Total expenditure</b>		<b>1,297,000</b>	<b>20,016</b>	<b>1,317,016</b>
<b>Net income for the year</b>		<b>34,505</b>	<b>(6,516)</b>	<b>27,989</b>
<b>Reconciliation of funds</b>				
Total funds brought forward		300,604	9,609	310,213
<b>Total funds carried forward</b>		<b>335,109</b>	<b>3,093</b>	<b>338,202</b>

# Notes to the financial statements

## for the year ended 31 March 2024

#### 4. Grants and donations

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Baily Thomas Charitable Fund	-	15,000	15,000	-
CLA Charitable Trust	-	4,000	4,000	-
Egger UK Ltd	10,000	-	10,000	-
Hadrian Trust	-	1,000	1,000	1,000
Sir Jules Thorn Charitable Trust	-	-	-	2,500
The Ballinger Trust	-	-	-	27,000
The Catherine Cookson Charitable Trust	-	1,000	1,000	-
The Clothworkers Foundation	-	21,500	21,500	-
The Hedley Foundation	-	3,000	3,000	-
The Henry Bell Trust	-	-	-	300
The Henry Smith Charity	-	60,000	60,000	60,000
The Ninevah Trust	-	-	-	5,000
The Rothley Trust	-	1,250	1,250	-
The Screwfix Foundation	-	4,714	4,714	-
The Shears Foundation	-	-	-	5,000
The Smith (Haltwhistle & District) Charitable Trust	-	-	-	400
Vercelli Restaurant LLP	1,291	-	1,291	-
Government Funding re Covid 19	-	-	-	4,936
Other Donations	993	-	993	1,005
	<u>12,284</u>	<u>111,464</u>	<u>123,748</u>	<u>107,141</u>

#### 5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Day Farming Fees	50,346	-	50,346	61,052
Handyperson Service	4,705	-	4,705	5,839
Independent Supported Living Programmes	1,284,917	-	1,284,917	1,169,191
Other	100	-	100	-
The Orchard Fees	17,507	-	17,507	-
Towards Independence Enabling	367	-	367	437
	<u>1,357,942</u>	<u>-</u>	<u>1,357,942</u>	<u>1,236,518</u>

#### 6. Other Income

	2024 £	2023 £
Settlement of insurance claim	<u>6,614</u>	<u>0</u>

# Notes to the financial statements

## for the year ended 31 March 2024

### 7. Total expenditure

	Raising Funds	Charitable activities	Governance costs	Total 2024	Total 2023
	£	£	£	£	£
<b>Direct costs</b>					
Bad Debt	-	44	-	44	-
Day Farming costs	-	2,031	-	2,031	2,044
Depreciation	-	10,317	-	10,317	7,733
Fundraising costs	-	-	-	-	49
Handyperson costs	-	-	-	-	-
Independent Supported Living costs	-	7,136	-	7,136	10,999
Staff costs	-	1,121,177	-	1,121,177	1,050,270
The Orchard Costs	-	10,469	-	10,469	-
Vehicle costs	-	7,516	-	7,516	10,737
Volunteer costs	-	6	-	6	-
<b>Allocated support costs</b>					
Staff costs	12,965	152,297	9,465	174,727	155,956
Office costs	13,292	78,821	8,862	100,975	73,768
Professional fees	-	-	6,000	6,000	5,460
	<u>26,257</u>	<u>1,389,814</u>	<u>24,327</u>	<u>1,440,398</u>	<u>1,317,016</u>

### 8. Net incoming/(outgoing) reserves

Net incoming/(outgoing) resources for the year include:

	2024	2023
	£	£
Depreciation	10,317	7,733
Auditors' remuneration	6,000	5,460

### 9. Analysis of staff costs, and the cost of key management personnel

The aggregate staff costs were:

	2024	2023
	£	£
Wages and salaries	1,176,024	1,078,742
Social security costs	97,339	100,011
Pension costs	22,541	21,531
	<u>1,295,904</u>	<u>1,203,255</u>

The charity considers its key management personnel comprise the Trustees, the Chief Executive Officer, the Business Development Manager, the Finance Manager, the HR Advisor, the Senior ISL Manager and the Day Services Manager. The total employment benefits of the key management personnel were £221,124 (2023: £194,478).

There is one employee with employment benefits above £60,000 per annum.

# Notes to the financial statements

## for the year ended 31 March 2024

The average number of staff during the year was 54 (2023: 50).

### 10. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

### 11. Tangible fixed assets

	Motor Vehicles	I.T. equipment	Plant, equipment & furniture	Total
Cost	£	£	£	£
At 1 April 2023	55,050	25,032	11,634	91,716
Additions	-	5,998	12,196	18,194
<b>At 31 March 2024</b>	<b>55,050</b>	<b>31,030</b>	<b>23,830</b>	<b>109,910</b>
<b>Depreciation</b>				
At 1 April 2023	38,225	20,581	5,054	63,860
Charge for the year	3,605	3,894	2,818	10,317
<b>At 31 March 2024</b>	<b>41,830</b>	<b>24,475</b>	<b>7,872</b>	<b>74,177</b>
<b>Net book value</b>				
<b>At 31 March 2024</b>	<b>13,220</b>	<b>6,555</b>	<b>15,958</b>	<b>35,733</b>
At 31 March 2023	16,825	4,451	6,580	27,856

### 12. Debtors

	2024	2023
	£	£
Trade debtors	116,404	48,088
Prepayments and accrued income	3,888	50,455
	<b>120,292</b>	<b>98,543</b>

### 13. Cash at Bank

	2024	2023
	£	£
Unity Trust Bank Current Account	205,609	174,174
Unity Trust Bank Savings Account	103,339	100,674
	<b>308,948</b>	<b>274,848</b>

# Notes to the financial statements

## for the year ended 31 March 2024

### 14. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	1,208	2,936
Other taxation and social security	38,452	33,991
Accruals and deferred income	37,477	27,295
	77,137	64,222

### 15. Commitments under operating lease

At 31 March 2024 future minimum rentals payable under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Within one year	2,263	2,263
In two to five years	5,853	5,699
	8,116	7,962

### 16. Pension

#### Defined contribution pension schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £22,541 (2023 - £19,153).

### 17. Unrestricted funds

#### Year ended 31 March 2024

	At 1- Apr-23	Income	Expenditure	Transfer	At 31- Mar-24
	£	£	£	£	£
Unrestricted funds	335,109	1,379,695	(1,350,857)	(37,000)	326,947
Designated funds	-	-	-	37,000	37,000
Replacement vehicle(s)					
	335,109	1,379,696	(1,350,857)	-	363,947

#### Year ended 31 March 2023

	At 1- Apr-22	Income	Expenditure	Transfer	At 31- Mar-23
	£	£	£	£	£
Unrestricted funds	300,604	1,331,505	(1,297,000)	-	335,109
	300,604	1,331,505	(1,297,000)	-	335,109

# Notes to the financial statements

## for the year ended 31 March 2024

### Designated funds

Replacement vehicle(s) – relates to funds set aside to replace vehicles. This was spent post year end.

### 18. Restricted income funds

<u>Year ended 31 March 2024</u>	<b>At 1- Apr-23</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>At 31- Mar-24</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Baily Thomas Charitable Foundation	-	15,000	-	-	15,000
Boshier-Hinton Foundation	3,093	-	(1,183)	-	1,910
CLA Charitable Trust	-	4,000	(4,000)	-	-
Hadrian Trust	-	1,000	(1,000)	-	-
The Catherine Cookson Charitable Trust	-	1,000	(1,000)	-	-
The Clothworkers Foundation	-	21,500	(13,918)	-	7,582
The Hedley Foundation	-	3,000	(2,500)	-	500
The Henry Smith Charity	-	60,000	(60,000)	-	-
The Rothley Trust	-	1,250	(1,226)	-	24
The Screwfix Foundation	-	4,714	(4,714)	-	-
	3,093	111,464	(89,541)	-	25,016

The Baily Thomas Charitable Foundation grant was towards The Orchard project: Sensory Room and equipment library costs.

The Boshier Hinton Foundation grant was for a summer activities programme.

The CLA Charitable Trust grant was towards our Day Farming service.

The Hadrian Trust grant was towards our Day Farming service.

The Catherine Cookson Charitable Trust grant was towards the Sensory Room/wellbeing space refurbishment and equipment.

The Clothworkers Foundation grant was towards refurbishment of spaces within The Orchard project.

The Hedley Foundation grant was towards the Sensory Room/wellbeing space.

The Henry Smith Charity grant was towards the cost of running the Day Farming and Handy Person services.

The Rothley Trust grant was towards furniture and equipment within The Orchard project.

The Screwfix Foundation grant was towards the Sensory Room/wellbeing space.

# Notes to the financial statements

## for the year ended 31 March 2024

### 19. Analysis of funds

<u>Year ended 31 March 2024</u>	Unrestricted funds	Restricted funds	Total 2024
	£	£	£
Fixed assets	35,733	-	35,733
Net current assets	328,214	25,016	353,230
	<u>363,947</u>	<u>25,016</u>	<u>388,963</u>

<u>Year ended 31 March 2023</u>	Unrestricted funds	Restricted funds	Total 2023
	£	£	£
Fixed assets	27,856	-	27,856
Net current assets	307,253	3,093	310,346
	<u>335,109</u>	<u>3,093</u>	<u>338,202</u>

### 20. Related parties

There have been no transactions incurred with related parties during the period (2023 – none).

# Thanks

Natural Ability would like to thank all of our Grant Funders, donors and fundraisers who give us the scope to improve and enhance the services we offer.

**The Henry Smith Charity**  
founded in 1628

 **THE CLOTHWORKERS' FOUNDATION**

**The Baily Thomas Charitable Fund**

**CLA**

 **EGGER**  
MORE FROM WOOD.

**SCREWFIX FOUNDATION**

**The Hedley Foundation**  
A Grant Giving Charity

**The Rothley Trust**

**HADRIAN TRUST**

**Catherine Cookson Charitable Trust**

We would also like to thank all of our wonderful staff for their continued hard work and dedication.



 **natural ability**

**Natural Ability**  
West Orchard House  
Allendale Road  
Hexham, NE46 2DE  
01434 618149  
[www.naturalability.org](http://www.naturalability.org)  
[info@naturalability.org](mailto:info@naturalability.org)

**NATURAL ABILITY**

England & Wales - Charity number 1136665

---

# Accounts

---



**Natural Ability**  
(A charitable company limited by guarantee)

**Report and Financial Statements**

**31<sup>st</sup> March 2023**

Registered company number 6959710  
Registered charity number 1136665

# Natural Ability

## Contents

Company Information	3
Report of the Trustees	4
Independent Auditor's Report	13
Statement of Financial Activities (including Income and Expenditure Account)	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19

# Natural Ability

## Company Information

### For the year ended 31 March 2023

#### **Trustees**

Mr. R. E. H. Philipson  
Mr. B. N. Howorth  
Mr. M. J. Quinn  
Mrs. M. Holmes  
Ms Daisy Gardener

#### **Key management**

Chief Executive and Company Secretary	Nicola Crawford
Business Development Manager	Janice Walker
Finance Manager	Kathy Lowe
HR Advisor	Michelle Sharman
Senior ISL Manager	Fiona Carlile
Day Services Manager	Suzanne Keen

#### **Registered office**

West Orchard House  
Allendale Road  
Hexham  
Northumberland  
NE46 2DE

#### **Accountants**

Haines Watts  
17 Queen's Lane  
Newcastle upon Tyne  
NE1 1RN

#### **Bankers**

Unity Trust Bank plc  
Nine Brindleyplace  
Birmingham  
B1 2HB

#### **Registered Company number**

6959710

#### **Charity number**

1136665

# Natural Ability

## Report of the Trustees For the year ended 31 March 2023

The Trustees are pleased to present their report and financial statements for the year ended 31<sup>st</sup> March 2023.

Reference and administrative details, set out on the previous page, form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

### Structure, governance and management

#### Governing document

Natural Ability is a company limited by guarantee and is governed by its memorandum and articles of association dated 3 May 2010. It was registered with the Charity Commission on 30 June 2010.

#### Appointment of Trustees

The Trustees are directors for the purposes of company law and the members of the charity must become Trustees. The number of Trustees must not be less than three and not more than nine persons.

#### Induction and training of Trustees

The induction and training of Trustees is dealt with according to individual need. Trustees usually have prior professional or charity knowledge and experience.

#### Organisation

The charity is managed by the Trustees, who meet approximately four times a year. Three Trustees are needed for a quorum. The Trustees who have served during the year are set out on the Company Information page.

The Trustees are responsible for the leadership, strategic development and effectiveness of the charity.

The Chief Executive Officer controls day to day operations, the delivery of services and the development of new business.

The Business Development Manager is responsible for the development of new services and procurement of grant funding.

The Finance Manager is responsible for all finance functions and oversees facility management of Head Office.

The Services Managers ensure that service delivery processes are effective, safe, high quality and meet regulatory requirements relating to the care and support for the people who use Natural Ability.

The Human Resources Advisor ensures that the organisation meets its legal responsibilities relating to employment law, safer recruitment principles are adhered to and a positive working culture is provided for all employees.

### Risk Management

A full set of policies on health and safety, financial management, staffing, information security and customer liaison have been established and are reviewed as required and at least every 3 years.

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2023

#### Safety

The charity has a focus on the safety and security of its entire workforce and customers, particularly as a number of them are vulnerable people. With this in mind:

- All staff are trained first aiders;
- Head Office staff are trained Mental Health first aiders;
- All staff must obtain an enhanced Disclosure and Barring Service check, are encouraged to join the Update Service and are governed by the charity's policy for safeguarding vulnerable adults and children.

The charity's Health and Safety Officer is Nicola Crawford (CEO).

The charity's employer's liability, public and products liability, professional indemnity, Trustees and Director's indemnity and contents insurance policy is provided by Towergate Insurance.

#### **Objectives and activities**

The relief of young people and adults with learning disabilities and/or physical disabilities and/or mental disabilities, in part but not exclusively by the provision of:

- a. Housing, supported living, short breaks, employment, education, training and learning opportunities, emphasising the protection or conservation of the environment and local heritage, wherever possible;
- b. Developing such other charitable forms of support as required.

#### **Current Activities**

Natural Ability provides support under three service areas:

- Service Area 1 – Independent Supported Living (ISL)
- Service Area 2 – Day Services
- Service Area 3 – Towards Independence & Enabling

#### **Service Area 1- ISL**

Natural Ability continues to provide an ISL service across West Northumberland supporting individuals to live independently within their own homes. The people who use our service are supported to have choice and control over all aspects of their lives. These choices can include where they live, who they live with and what activities and community engagement they choose to participate in to enrich their daily lives.

#### **Service Area 2 – Day Services**

##### 1) Day Farming

Individuals using our Day Farming service can access a wide range of opportunities working outdoors in the North Pennines and surrounding areas. As well as providing the people who use our service with a sense of physical and psychological wellbeing, Natural Ability provides rural training and work experience. The service works in partnership with the local farming community, therefore enabling our Day Farmers to work as part of a team to develop and support the work of farms, community gardens and other community activities.

# Natural Ability

## Report of the Trustees For the year ended 31 March 2023

### 2) Handy Person Service

The Handy Person Service provides people with learning disabilities a valuable employment opportunity working within their local community. The Handy Person team work alongside a skilled and experienced supervisor taking on jobs such as gardening, landscaping, fencing, painting and decorating. This service is growing rapidly, developing the skills of those involved whilst also building community links, community inclusion and strengthening supportive work placed opportunities for those perceived to be furthest from the labour market.

#### Service Area 3 – Towards Independence & Enabling

This service offers alternative education to post-16 year olds. Individuals can work towards building their knowledge and experience in a wide range of subjects with a focus on life skills, social skills, employability and working towards independence.

#### Public benefit

The trustees have had regards to the Charity Commission's guidance on their legal duty on public benefit, and are satisfied that the charitable company delivers public benefit, and due regard is paid to the guidance on public benefit whilst reviewing the charitable company's aim and objectives and also when planning future objects and deciding what new projects the charitable company should undertake.

#### Achievements and performance

The global Covid-19 pandemic might seem like a distant memory to some but Natural Ability staff maintained infection control procedures until December 2022 when the government ended the mandatory wearing of PPE at all times. However, staff continue to follow good infection control practice and cleanliness in all services to minimise the risk of infection to the people we support. There remains a good uptake of winter vaccinations by all staff and we are pleased to say that the people we support have been able to resume the majority of the activities they previously enjoyed.

In the summer of 2022, we were thrilled when we were contacted by Egger (UK) Ltd who informed us that Natural Ability has been chosen to be their headline charity for two years, following nomination by a member of staff who has a relative who attends our Day Farming service. Egger's support will enable us to continue to deliver much needed services to the people we support.

In December 2022 Natural Ability took out a lease on West Orchard House in central Hexham. This large building and grounds will give us the opportunity to realise our long-term strategic objective to develop a "Towards Independence" Learning Hub as well as provide additional day services and other opportunities to people with learning disabilities. Extensive development work was carried out with multiple stakeholder consultations and 'ideas cafes'. Plans have been put in place to develop centre-based day services; a sensory room; 'out-of-hours' services; an Autism centre; a Towards Independence Learning Hub; an enabling service and other therapeutic activities. This is an exciting time for Natural Ability and we are looking forward to providing more quality, robust services for the people we support.

#### ISL

The Independent Supported Living services now support a total of 13 people to live in their own homes and we were very pleased to bring on board one new service during the year. The income from Independent Supported living services in the year ending 31 March 2023 was £1,169,191 (2022: £983,851).

# Natural Ability

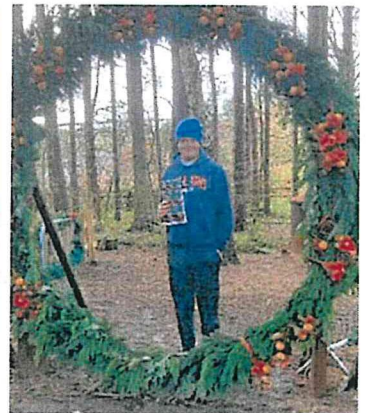
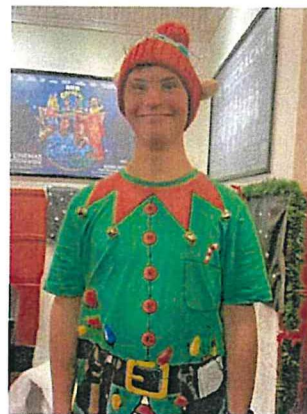
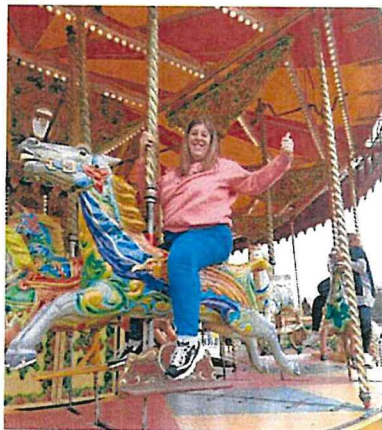
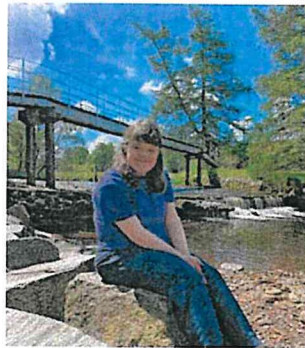
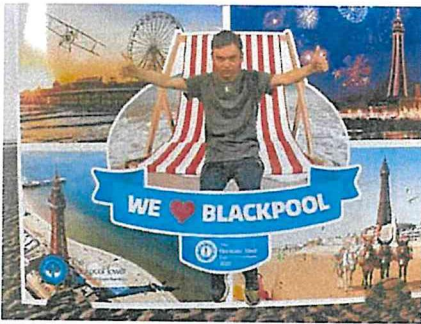
## Report of the Trustees For the year ended 31 March 2023

The people we support have enjoyed a year full of activities; picnics, beach trips, theme park trips, theatre trips and many more. There have also been holidays to Blackpool, Scarborough, Edinburgh, London, Amsterdam and Spain. One person was even supported to be an extra on a TV series that was filming in Hexham!

*"Thank you so much for organising the overnight support in the house, you've done really well to wade through all the bureaucracy and we feel very fortunate to have that happen, particularly when council budgets are restricted. It's very comforting to know that someone is around to support them should they need help. A seems very happy and contented in the house."*

*"Thank you so much for all your care and support over the years. It has made D's life so much better than it could have been."*

*"The important thing to us is that, in overall terms, he's well and really happy. That's down to all the effort you and the rest of the team put in. Please don't underestimate how much our whole family appreciates it."*



# Natural Ability

## Report of the Trustees For the year ended 31 March 2023

### Day Farming and Handy Person

Day Farming has continued successfully and generated £61,052 over the year in earned income (2022: £53,254).

Day Farming is currently providing work experience, training and benefits in physical and mental health for 10 Day Farmers over 5 days per week.

The Day Farming service has seen an increasing variety of farm venues over the year, providing experience in different skills with animals and machinery and the opportunity to learn how to do dry stone walling. Hands-on skills like lambing and milking goats proved popular with attendees, as did visits to see some city farms in the Ouseburn, Bill Quay and Jesmond. The Friday walking group continues to be one of the most popular days and they have been on some lovely walks all over the region.

West Orchard House provides a warm, dry venue for inclement weather activities and the maintenance of the grounds keeps the Day Farmers busy. They have planted some flowers to brighten up the grounds and a large rockery is being planned. The first element developed within the building has been the creation of a Nature and Environmental area that is now used as an indoor learning space and has enhanced the flexibility of activities for the Day Farming service, specifically useful during the winter months.



## Natural Ability

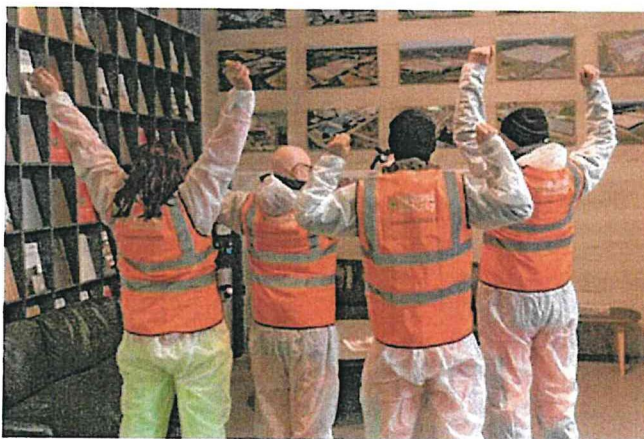
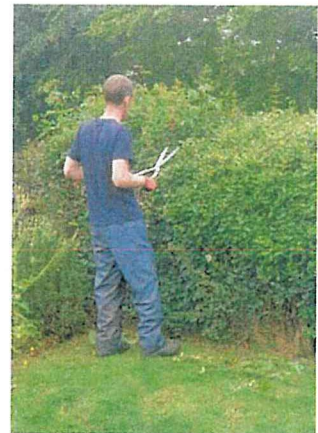
### Report of the Trustees For the year ended 31 March 2023

The Handy Person service successfully engaged the community and generated £5,839 income from sales of services (2022: £2,030).

The service has provided regular employment for 5 people with learning difficulties and has 5 regular contracted jobs including private gardens, a community litter-pick and a community edible garden. The Handy Person workers have enjoyed gaining various new skills this year, including using a strimmer, willow harvesting and other gardening skills.

*"They're the best contractors I've ever had. They work so hard!"*

*"This is just a quick note to thank the team for their amazing work on Wednesday. It was clear that everyone had worked incredibly hard that day and we are very grateful for the support in keeping on top of the grounds and with animal husbandry. Do pass on our thanks and appreciation."*



#### Towards Independence & Enabling

The Towards Independence & Enabling service was quiet during this year with only one individual receiving support. The development of West orchard house includes a standalone building that we plan to develop into a Towards Independence Learning Hub. The addition of this facility will allow us to develop and re-introduce a new Towards Independence & Enabling service.

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2023

#### Grants, donations and fundraising

Grant income generated in the year was £106,136 (2022: £161,684) with the main funders being the Ballinger Trust and The Henry Smith Charity. Donations were received in the amount of £1,005 (2022: £409) and fundraising in the amount of £1,794 (2022: £365).

#### **Financial review**

The net income for the year was £27,989 (net income 2022: £50,693) as disclosed in the Statement of Financial Activities on page 16. Unrestricted funds at the year-end were £335,109 (2022: £300,604).

The principal source of income comprised earned income of £1,236,070 (2022: £1,040,635), with a further £108,935 (2022: £162,049) in grants, donations and fundraising.

The year ending 31 March 2023 saw an increase of 19% in earned income and a reduction of 33% in grant income. The proportion of earned income for the year ending 31 March 2023 was 92% (2022: 87%).

#### **Reserves policy**

It is the policy of the charity to seek to establish and maintain a reserves fund based on a business risk assessment to cover 6 months' core operating costs, redundancies and lease obligations. The reserves policy figure deemed necessary at 31 March 2023 was £242,973. Unrestricted funds at the year-end were £335,109 (2022: £300,604) which means that the charity can meet the reserves figure of £242,973 as required by the policy, with a surplus of £92,136. The Trustees will review both the policy and the reserves position on a regular basis. The Trustees decided to invest some of the reserves in the lease of West Orchard House, allowing time for the refurbishment of the buildings and to allow the new services to get up and running. Reserves will be used to cover the cost of the lease for a period of 12 months, after which time the lease cost will be included in the annual budget.

#### **Going Concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Annual budgets are monitored on a monthly basis. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2023

#### Plans for the future

Natural Ability is committed to continuing to grow the organisation to enable more individuals to benefit from the services provided. A Strategic Plan has been developed and is currently being worked towards. The current key priority is the development of West Orchard House and the range of new services and service enhancements the new building will allow:

- The Orchard Day Service – a new centre based day service will be developed with the initial aim of the main areas of the building being renovated for the service to commence in September 2023. The Orchard will initially operate two days per week, increasing regularly until operating fully Monday to Friday. The centre will create an environment for focus; continued learning, creativity, energy, wellbeing and an opportunity to build and create new social circles. The centre will consist of a large group work space, nature and environment area, wellbeing and sensory space, digital skills suite, social snug and life skills kitchen. The large grounds will also be developed to allow physical and practical outdoor activities and horticulture opportunities.
- The development of a Towards Independence Learning Hub.
- The development of additional activities, projects and courses delivered on evenings and weekends, therefore opening the facilities to individuals not currently receiving support from Natural Ability via the ISL or Day Services.
- The development of additional services accessible to the wider community including a rentable sensory and wellbeing space along with meeting and training space for professionals.
- Research and consultation to create an Enterprise Hub, thereby utilising the large garage space and grounds of West Orchard House to give service users the opportunity to be part of a social enterprising initiative.

#### Statement of Trustees' responsibilities

The trustees (who are also directors of Natural Ability for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

## Natural Ability

### Report of the Trustees For the year ended 31 March 2023

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

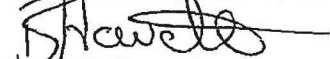
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

#### Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

This report was approved by the Trustees on ... 6<sup>th</sup> December 2023



Mr. B. N. Howorth  
Chair of Trustees

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2023

### Opinion

We have audited the financial statements of Natural Ability (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 group's or parent 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2023

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of our 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, 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.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line

with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## Natural Ability

### Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2023

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors

and other management. The most significant were identified as the Charities Act 2011, the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations

as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and
- whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of those charged with governance;
- assessing the risk of management override including identifying and testing journal entries;
- confirmation received directly from the banks to verify the balance at 31 March 2023; and

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Craig Henderson (Senior Statutory Auditor)**  
For and on behalf of Haines Watts North East Audit LLP

19 December 2023  
.....

Statutory Auditors

17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN

# Natural Ability

## Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 March 2023

	Notes	Unrestricted funds	Restricted funds	Total 2023	Total 2022
		£	£	£	£
<b>Income from:</b>					
Grants and donations	4	93,641	13,500	107,141	161,684
Fundraising		1,794	-	1,794	365
Charitable activities	5	1,235,275	-	1,235,275	1,040,635
Interest receivable		795	-	795	31
<b>Total income</b>		<b>1,331,505</b>	<b>13,500</b>	<b>1,345,005</b>	<b>1,202,715</b>
<b>Expenditure on:</b>					
Raising funds		26,326	-	26,326	22,057
Charitable activities		1,270,674	20,016	1,290,690	1,129,965
<b>Total expenditure</b>	6	<b>1,297,000</b>	<b>20,016</b>	<b>1,317,016</b>	<b>1,152,022</b>
<b>Net income for the year</b>		<b>34,505</b>	<b>(6,516)</b>	<b>27,989</b>	<b>50,693</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		300,604	9,609	310,213	259,520
<b>Total funds carried forward</b>		<b>335,109</b>	<b>3,093</b>	<b>338,202</b>	<b>310,213</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

# Natural Ability

## Balance Sheet As at 31 March 2023

	Notes	2023	2022
		£	£
<b>Fixed assets</b>			
Tangible assets	10	27,856	35,617
<b>Current assets</b>			
Debtors	11	98,543	29,162
Cash at bank	12	274,848	298,273
Cash in hand		1,177	1,054
		374,568	328,489
<b>Creditors:</b> amounts falling due within one year	13	(64,222)	(53,893)
<b>Net current assets</b>		310,346	274,596
<b>Net assets</b>		338,202	310,213
<b>Charity funds:</b>			
Unrestricted funds	16	335,109	300,604
Restricted funds	17	3,093	9,609
<b>Total</b>		338,202	310,213

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

Approved by the Board of Trustees on 6th December 2023 and signed on their behalf by:

  
**Mr. B. N. Howorth**  
 Chair of Trustees

**Natural Ability**

**Cash flow Statement**  
**for the year ended 31 March 2023**

	2023	2022
	£	£
<b>Cash generated from operations</b>		
Surplus on ordinary activities	27,989	50,693
Reconciliation to cash generated from operations:		
Depreciation	7,733	8,213
Increase/(Decrease) in creditors	10,329	3,743
Decrease/(Increase) in debtors	(69,381)	69,998
Purchase of tangible assets	(3,531)	(32,622)
Proceeds from sale of tangible assets	4,500	-
Profit on disposal of tangible assets	(941)	-
	(51,291)	49,332
 <b>Reconciliation of funds</b>		
Total funds brought forward:		
Cash at bank and in hand brought forward as at 1 <sup>st</sup> April	299,327	199,302
Net movement in cash	(23,302)	100,025
 <b>Total funds carried forward:</b>		
Cash at bank and in hand carried forward at 31 <sup>st</sup> March	276,025	299,327

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

### 1. Legal status of the charity

The charity is a company limited by guarantee and, as such, no shares are issued. The liability of each member in the event of winding up is limited to £1.

### 2. Accounting policies

#### a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Natural Ability meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### b) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### c) Fund accounting – unrestricted and restricted funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity without further specified purpose.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions given by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment costs.

Depreciation is charged at rates calculated to write down the cost of assets (excluding freehold land) over their estimated useful lives at the following rates:

Freehold buildings	2% straight line
Plant, equipment & furniture	15% reducing balance
Fixtures and equipment	20% straight line
I.T equipment	25% straight line
Vehicles	15% straight line

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the proceeds of sale and the carrying amount of the asset and is recognised in income or expenditure.

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

- e) **Income recognition**  
All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.  
Income from charitable activities received to deliver services is recognised within the relevant period.  
Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.  
Donated services and facilities are included where the amounts concerned can be quantified.
- f) **Deferred income**  
In the past, grant income received was held as deferred income and released to the income and expenditure account in the period in which the related expense was incurred. During 2022/23 no income was held as deferred income and none was released to the income and expenditure account.
- g) **Expenditure recognition**  
Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.  
Expenditure on raising funds comprise the costs incurred in raising income from grants and donations.  
Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.  
Governance costs represents costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.  
Support costs relating to more than one activity are allocated on the basis of staff time spent.
- h) **Cash at bank**  
Cash at bank consists of a Unity Trust Bank plc current account and a Unity Trust Bank plc instant access savings account.
- i) **Debtors**  
Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.
- j) **Creditors and provisions**  
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.
- k) **Financial instruments**  
The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.
- l) **Pension costs**  
The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. The charity contribution in the year is disclosed in note 5. The pension scheme is managed by Nest Corporation. The charity has no liability beyond making its contributions and paying across the deductions of employees' contributions.

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

### 3. Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income from:</b>				
Grants and donations	4	52,233	109,451	161,684
Fundraising		365	-	365
Charitable activities	5	1,040,635	-	1,040,635
Interest receivable		31	-	31
<b>Total income</b>		<b>1,093,264</b>	<b>109,451</b>	<b>1,202,715</b>
<b>Expenditure on:</b>				
Raising funds		22,057	-	22,057
Charitable activities		1,016,256	113,709	1,129,965
<b>Total expenditure</b>	6	<b>1,038,313</b>	<b>113,709</b>	<b>1,152,022</b>
<b>Net income for the year</b>		<b>54,951</b>	<b>(4,258)</b>	<b>50,693</b>
<i>Reconciliation of funds</i>				
Total funds brought forward		245,653	13,867	259,520
<b>Total funds carried forward</b>		<b>300,604</b>	<b>9,609</b>	<b>310,213</b>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

### 4. Grants and donations

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Barbour Foundation	-	-	-	1,000
Community Foundation	-	-	-	5,000
Hadrian Trust	-	1,000	1,000	-
James Knott Charitable Trust	-	-	-	10,000
LA6 Community Grant	-	-	-	7,810
Lloyds Bank Foundation	-	-	-	30,000
Lottery Reaching Communities	-	-	-	73,141
Sir Jules Thorn Charitable Trust	-	2,500	2,500	-
The Ballinger Trust	27,000	-	27,000	12,000
The Henry Bell Trust	300	-	300	-
The Henry Smith Charity	60,000	-	60,000	-
The Ninevah Trust	-	5,000	5,000	-
The Percy Hedley 1990 Charitable Trust	-	-	-	500
The Shears Foundation	-	5,000	5,000	-
The Smith (Haltwhistle & District) Charitable Trust	400	-	400	-
The W A Handley Charitable Trust	-	-	-	2,000
Other donations	1,005	-	1,005	409
Government JRS scheme	-	-	-	2,053
Government Funding re Covid-19	4,936	-	4,936	17,771
	<u>93,641</u>	<u>13,500</u>	<u>107,141</u>	<u>161,684</u>

### 5. Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Day Farming Fees	61,052	-	61,052	53,254
Handyperson Service	5,839	-	5,839	2,030
Independent Supported Living Programmes	1,167,947	-	1,167,947	985,093
Other	-	-	-	258
Towards Independence Enabling	437	-	437	-
	<u>1,235,275</u>	<u>-</u>	<u>1,235,275</u>	<u>1,040,635</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

### 6. Total expenditure

	Raising Funds	Charitable activities	Governance costs	Total 2023	Total 2022
	£	£	£	£	£
<b>Direct costs</b>					
Bad Debt	-	-	-	-	3,256
Day Farming costs	-	2,044	-	2,044	5,784
Depreciation	-	7,733	-	7,733	8,213
Fundraising costs	49	-	-	49	498
Handyperson costs	-	-	-	-	967
Independent Supported Living costs	-	10,999	-	10,999	14,266
Staff costs	-	1,050,270	-	1,050,270	904,895
Vehicle costs	-	10,737	-	10,737	8,886
Volunteer costs	-	-	-	-	-
<b>Allocated support costs</b>					
Staff costs	12,660	133,831	9,465	155,956	145,837
Office costs	13,617	53,343	6,808	73,768	55,320
Professional fees	-	-	5,460	5,460	4,100
	<u>26,326</u>	<u>1,268,957</u>	<u>21,733</u>	<u>1,317,016</u>	<u>1,152,022</u>

### 7. Net incoming/(outgoing) reserves

Net incoming/(outgoing) resources for the year include:

	2023	2022
	£	£
Depreciation	7,733	8,213
Auditors' remuneration	<u>5,460</u>	<u>4,100</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

### 8. Analysis of staff costs, and the cost of key management personnel

The aggregate staff costs were:

	2023	2022
	£	£
Wages and salaries	1,078,742	960,573
Social security costs	100,011	75,538
Pension costs	21,531	14,209
	<u>1,203,255</u>	<u>1,050,520</u>

The charity considers its key management personnel comprise the Trustees, the Chief Executive Officer, the Business Development Manager, the Finance Manager, the HR Advisor, the Senior ISL Manager and the Day Services Manager. The total employment benefits of the key management personnel were £194,478 (2022: £168,737).

There is one employee with employment benefits above £60,000 per annum.

The average number of staff during the year was 50 (2022: 49).

### 9. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

### 10. Tangible fixed assets

	Motor Vehicles	I.T. equipment	Plant, equipment & furniture	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2022	61,996	23,696	9,439	95,131
Additions	-	1,336	2,195	3,531
Disposals	(6,946)	-	-	(6,946)
<b>At 31 March 2023</b>	<u>55,050</u>	<u>25,032</u>	<u>11,634</u>	<u>91,716</u>
<b>Depreciation</b>				
At 1 April 2022	37,746	17,874	3,894	59,514
Charge for the year	3,866	2,707	1,160	7,733
On disposals	(3,387)	-	-	(3,387)
<b>At 31 March 2023</b>	<u>38,225</u>	<u>20,581</u>	<u>5,054</u>	<u>63,860</u>
<b>Net book value</b>				
<b>At 31 March 2023</b>	<u>16,825</u>	<u>4,451</u>	<u>6,580</u>	<u>27,856</u>
At 31 March 2022	<u>24,250</u>	<u>5,822</u>	<u>5,545</u>	<u>35,617</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

### 11. Debtors

	2023	2022
	£	£
Trade debtors	48,088	24,531
Prepayments and accrued income	50,455	4,631
	<u>98,543</u>	<u>29,162</u>

### 12. Cash at Bank

	2023	2022
	£	£
Unity Trust Bank Current Account	174,174	247,324
Unity Trust Bank Savings Account	100,674	50,949
	<u>274,848</u>	<u>298,273</u>

### 13. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	2,936	2,493
Other taxation and social security	33,991	28,377
Accruals and deferred income	27,295	23,023
	<u>64,222</u>	<u>53,893</u>

### 14. Commitments under operating lease

At 31 March 2023 future minimum rentals payable under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Within one year	2,263	403
In two to five years	5,699	403
	<u>7,962</u>	<u>806</u>

### 15. Pension

#### Defined contribution pension schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £19,153 (2022 - £14,209).

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

### 16. Unrestricted funds

#### Year ended 31 March 2023

	At 1- Apr-22	Income	Expenditure	Transfer	At 31- Mar-23
	£	£	£	£	£
Unrestricted funds	300,604	1,331,505	(1,297,000)	-	335,109
	<u>300,604</u>	<u>1,331,505</u>	<u>(1,297,000)</u>	<u>-</u>	<u>335,109</u>

#### Year ended 31 March 2022

	At 1- Apr-21	Income	Expenditure	Transfer	At 31- Mar-22
	£	£	£	£	£
Unrestricted funds	225,653	1,093,264	(1,018,313)	-	300,604
Designated funds	20,000	-	(20,000)	-	-
Replacement vehicle(s)					
	<u>245,653</u>	<u>1,093,264</u>	<u>(1,038,313)</u>	<u>-</u>	<u>300,604</u>

#### Designated funds

Replacement vehicle(s) – relates to funds set aside to replace vehicles. This was spent post year end.

### 17. Restricted income funds

#### Year ended 31 March 2023

	At 1- Apr-22	Income	Expenditure	Transfer	At 31- Mar-23
	£	£	£	£	£
Boshier-Hinton Foundation	4,109	-	(1,016)	-	3,093
Community Foundation	5,000	-	(5,000)	-	-
Hadrian Trust	-	1,000	(1,000)	-	-
Sir Jules Thorn Charitable Trust	-	2,500	(2,500)	-	-
The Ninevah Trust	-	5,000	(5,000)	-	-
The Percy Hedley 1990 Charitable Trust	500	-	(500)	-	-
The Shears Foundation	-	5,000	(5,000)	-	-
	<u>9,609</u>	<u>13,500</u>	<u>(20,016)</u>	<u>-</u>	<u>3,093</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2023

The Boshier Hinton Foundation grant was for a summer activities programme.

The Community Foundation grant was for salary and running costs for delivery of the Handy Person scheme.

The Hadrian Trust grant was towards the cost of delivering Day Services projects.

The Sir Jules Thorn Charitable Trust grant was towards running costs for delivery of the Handy Person service.

The Ninevah Trust grant was towards the cost of delivering the Day Farming service.

The Percy Hedley 1990 Charitable Trust grant was for core costs for the financial year ending 31 March 2023.

The Shears Foundation grant was towards the cost of running the Day Farming and Handy Person services.

### 18. Analysis of funds

#### Year ended 31 March 2023

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	27,856	-	27,856
Net current assets	307,253	3,093	310,346
	<u>335,109</u>	<u>3,093</u>	<u>338,202</u>

#### Year ended 31 March 2022

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	35,617	-	35,617
Net current assets	264,987	9,609	274,596
	<u>300,604</u>	<u>9,609</u>	<u>310,213</u>

### 19. Related parties

There have been no transactions incurred with related parties during the period (2022 – none).

**NATURAL ABILITY**

England & Wales - Charity number 1136665

---

# Accounts

---

**Natural Ability**  
(A charitable company limited by guarantee)

**Report and Financial Statements**

**31<sup>st</sup> March 2022**

**Registered company number 6959710**  
**Registered charity number 1136665**

# Natural Ability

## Contents

Company Information	3
Report of the Trustees	4
Independent Auditor's Report	13
Statement of Financial Activities (including Income and Expenditure Account)	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19

**Natural Ability**  
**Company Information**  
**For the year ended 31 March 2022**

**Trustees**

Mr. R. E. H. Philipson  
Mr. A. J. Sanders (resigned 6<sup>th</sup> October 2021)  
Mr. B. N. Howorth  
Mr. M. J. Quinn  
Mrs. M. Holmes  
Ms Daisy Gardener (appointed 22<sup>nd</sup> November 2021)

**Key management**

Chief Executive and Company Secretary	Nicola Crawford
Business Development Manager	Janice Walker
Finance Manager	Kathy Lowe
HR Advisor	Michelle Sharman
Senior ISL Manager	Fiona Carlile
Day Services Manager	Suzanne Keen

**Registered office**

The Beacon  
Beaufront Park  
Anick Road  
Hexham  
Northumberland  
NE46 5TU

**Accountants**

Haines Watts  
17 Queen's Lane  
Newcastle upon Tyne  
NE1 1RN

**Bankers**

Unity Trust Bank plc  
Nine Brindleyplace  
Birmingham  
B1 2HB

**Registered Company number**

6959710

**Charity number**

1136665

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2022

The Trustees are pleased to present their report and financial statements for the year ended 31<sup>st</sup> March 2022.

Reference and administrative details, set out on the previous page, form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

#### **Structure, governance and management**

##### Governing document

Natural Ability is a company limited by guarantee and is governed by its memorandum and articles of association dated 3 May 2010. It was registered with the Charity Commission on 30 June 2010.

##### Appointment of Trustees

The Trustees are directors for the purposes of company law and the members of the charity must become Trustees. The number of Trustees must not be less than three and not more than nine persons.

##### Induction and training of Trustees

The induction and training of Trustees is dealt with according to individual need. Trustees usually have prior professional or charity knowledge and experience.

##### Organisation

The charity is managed by the Trustees, who meet approximately 6 times a year. Three Trustees are needed for a quorum. The Trustees who have served during the year are set out on the Company Information page.

The Trustees are responsible for the leadership, strategic development and effectiveness of the charity.

The Chief Executive Officer controls day to day operations, the delivery of services and the development of new business.

The Business Development Manager is responsible for the development of new services and procurement of grant funding.

The Finance Manager is responsible for all finance functions and oversees facility management of Head Office.

The Services Managers ensure that service delivery processes are effective, safe, high quality and meet regulatory requirements relating to the care and support for the people who use Natural Ability.

The Human Resources Advisor ensures that the organisation meets its legal responsibilities relating to employment law, safer recruitment principles are adhered to and a positive working culture is provided for all employees.

#### **Risk Management**

A full set of policies on health and safety, financial management, staffing, information security and customer liaison have been established and are reviewed as required and at least every 3 years.

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2022

#### Safety

The charity has a focus on the safety and security of its entire workforce and customers, particularly as a number of them are vulnerable people. With this in mind:

- All staff are trained first aiders;
- All staff must obtain an enhanced Disclosure and Barring Service check, are encouraged to join the Update Service and are governed by the charity's policy for safeguarding vulnerable adults and children.

The charity's Health and Safety Officer is Nicola Crawford (CEO).

The charity's employer's liability, public and products liability, professional indemnity, Trustees and Director's indemnity and contents insurance policy is provided by Towergate Insurance.

#### **Objectives and activities**

The relief of young people and adults with learning disabilities and/or physical disabilities and/or mental disabilities, in part but not exclusively by the provision of:

- a. Housing, supported living, short breaks, employment, education, training and learning opportunities, emphasising the protection or conservation of the environment and local heritage, wherever possible;
- b. Developing such other charitable forms of support as required.

#### **Current Activities**

Natural Ability provides support under three service areas:

Service Area 1 – Independent Supported Living (ISL)

Service Area 2 – Day Services

Service Area 3 – Towards Independence & Enabling

#### **Service Area 1- ISL**

Natural Ability continues to provide an ISL service across West Northumberland supporting individuals to live independently within their own homes. The people who use our service are supported to have choice and control over all aspects of their lives. These choices can include where they live, who they live with and what activities and community engagement they choose to participate in to enrich their daily lives.

#### **Service Area 2 – Day Services**

##### 1) Day Farming

Individuals using our Day Farming service can access a wide range of opportunities working outdoors in the North Pennines and surrounding areas. As well as providing the people who use our service with a sense of physical and psychological wellbeing, Natural Ability provides rural training and work experience. The service works in partnership with the local farming community, therefore enabling our Day Farmers to work as part of a team to develop and support the work of farms, community gardens and other community activities.

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2022

#### 2) Handy Person Service

The Handy Person Service provides people with learning disabilities a valuable employment opportunity working within their local community. The Handy Person team work alongside a skilled and experienced supervisor taking on jobs such as gardening, landscaping, fencing, painting and decorating. This service is growing rapidly, developing the skills of those involved whilst also building community links, community inclusion and strengthening supportive work placed opportunities for those perceived to be furthest from the labour market.

#### **Service Area 3 – Towards Independence & Enabling**

This service offers alternative education to post-16 year olds. Individuals can work towards building their knowledge and experience in a wide range of subjects with a focus on life skills, social skills, employability and working towards independence.

#### **Public benefit**

The trustees have had regards to the Charity Commission's guidance on their legal duty on public benefit, and are satisfied that the charitable company delivers public benefit, and due regard is paid to the guidance on public benefit whilst reviewing the charitable company's aim and objectives and also when planning future objects and deciding what new projects the charitable company should undertake.

#### **Achievements and performance**

The global Covid-19 pandemic continued to have an impact into this year with staff carrying out regular testing and continuing to wear PPE to protect the vulnerable adults they work with. A robust winter plan along with the government vaccination programme allowed us to navigate the increased pressures that came along with the rise of the omicron, and other variants of the virus, successfully with minimal impact on services.

Once again, frontline staff have been fundamental in our success this year, particularly in keeping the vulnerable adults who we support safe and well. Despite our best protective measures, some of the people we support inevitably contracted the virus but all were given the utmost care during their convalescence and none are suffering any lasting effects. The individuals in the highly vulnerable category have all remained virus-free, healthy and happy. At Natural Ability we pride ourselves in dedicating all of the management support and resources required to support our frontline staff to perform their roles effectively and maintain job satisfaction, whilst supporting vulnerable adults to live active and fulfilled lives. This has been no different during this difficult period and all members of the organisation have gone above and beyond to provide quality services to the people we support.

#### **ISL**

The Independent Supported Living services now support a total of 12 people to live in their own homes. We were very pleased to bring on board two new services during the year. The income from Independent Supported living services in the year ending 31 March 2022 was £983,851 (2021: £783,500).

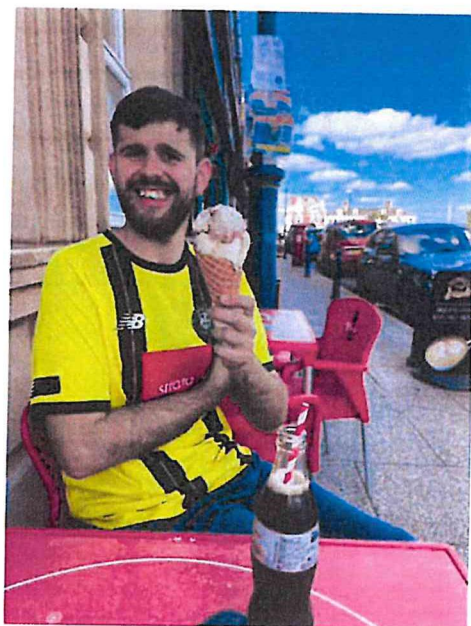
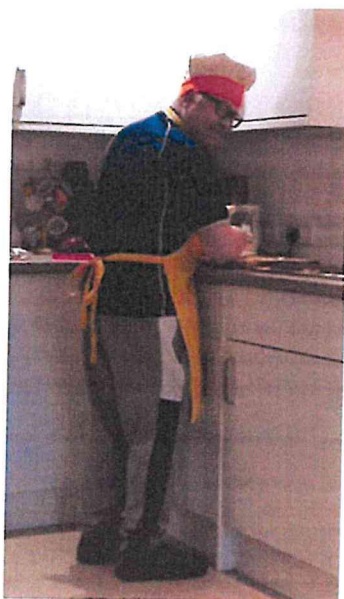
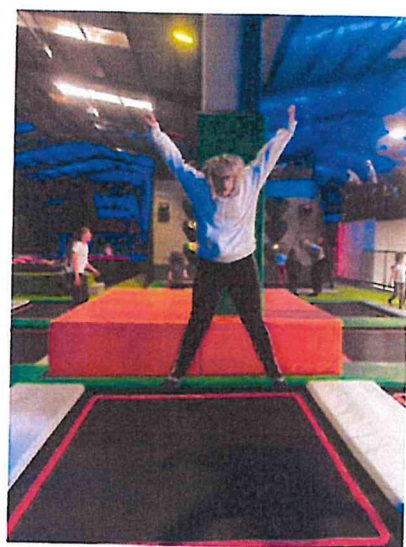
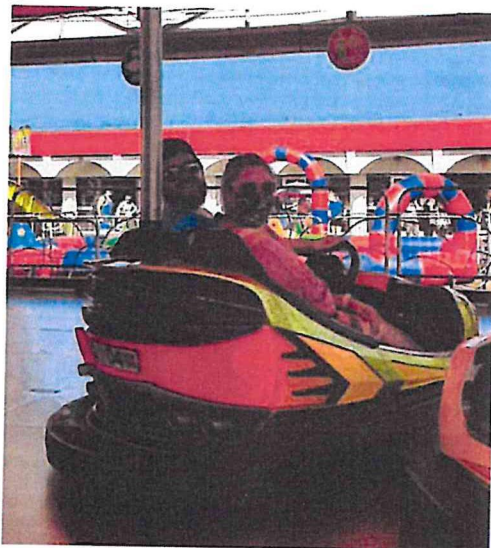
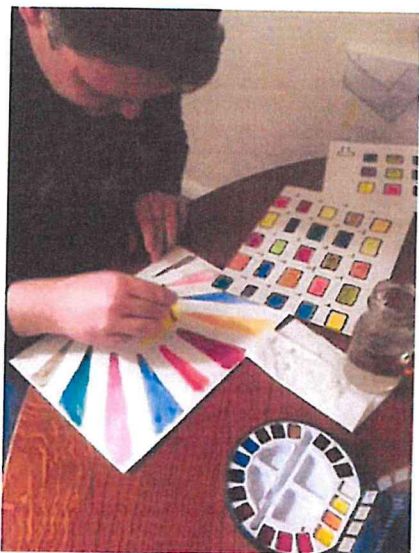
The easing of restrictions across the country has meant that we have been able to support the people who use our services to resume their work placements and activities that they enjoyed prior to the pandemic, to try out new ventures and even plan holidays. We were able to arrange an organisation-wide day trip to Beamish Museum in the spring which was thoroughly enjoyed by all who attended. Our social committee is back up and running and is planning many more events to bring together both the people we support, the staff teams, families and other individuals and organisations to create valuable opportunities for socialising, entertainment and fundraising.

## Natural Ability

### Report of the Trustees For the year ended 31 March 2022

*"This year especially my son's team have provided outstanding care in the most difficult of circumstances."*

*"In the 6 months or so J has been with you he has settled in well. He looks good physically and is clearly happy. We are therefore relieved. All the staff have been great. Their care and professionalism stands out."*



## Natural Ability

### Report of the Trustees For the year ended 31 March 2022

#### Day Farming and Handy Person

Day Farming has continued successfully and generated £53,254 over the year in earned income (2021: £45,482).

Day Farming is currently providing work experience, training and benefits in physical and mental health for 10 Day Farmers over 5 days per week. Face to face sessions resumed fully in 2021 and all of our Day Farmers were thrilled to be back out and about.

The Day Farming service was able to fully reopen to attendees this year and all farming, horticulture and walking group sessions recommenced. The team have been tackling their usual tasks and trying out new skills like sheep foot-care. The attendees were given the opportunity to attend training courses in First Aid and Moving & Handling, and have had various visits to different community gardens, working farms and an auction mart. Links with our highly valued, existing venue hosts have been strengthened and we have continued to source new venues and welcome new attendees to the service.

The Handy Person service successfully engaged the community and generated £2,030 income from sales of services.

The service has provided regular employment for 6 people with learning difficulties and has 5 regular contracted jobs including private gardens, a community litter-pick and a community edible garden. The Handy Person workers have enjoyed gaining various new skills this year, including using a strimmer, willow harvesting and other gardening skills.

*"Finding Day Services to meet the needs of learning disabled adults isn't easy. I would highly recommend Day Farming to others because of its values, principles and positive practices."*

*"Fabulous staff who seem very capable, caring and kind."*



## Natural Ability

### Report of the Trustees For the year ended 31 March 2022



#### Towards Independence & Enabling

The Towards Independence & Enabling service did not run during the year ended 31<sup>st</sup> March 2022. The service has since resumed on an ad hoc basis and we are hopeful that it will grow soon in line with the strategic plan.

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2022

#### Grants, donations and fundraising

Grant income generated in the year was £161,684 (2021: £142,682) with the main funders being the Big Lottery Fund, the Lloyds Bank Foundation, the Ballinger Trust and the James Knott Charitable Trust. Donations were received in the amount of £409 (2021: £100) and fundraising in the amount of £365 (2021: £0).

#### **Financial review**

The net income for the year was £50,693 (net income 2021: £46,846) as disclosed in the Statement of Financial Activities on page 16. Unrestricted funds at the year-end were £300,604 (2021: £245,653).

The principal source of income comprised earned income of £1,040,635 (2021: £865,289), with a further £162,049 (2021: £142,840) in grants, donations and fundraising.

The year ending 31 March 2022 saw an increase of 20% in earned income and 13% in grant income. The proportion of earned income for the year ending 31 March 2022 was 87% (2021: 85%).

#### **Reserves policy**

It is the policy of the charity to seek to establish and maintain a reserves fund based on a business risk assessment to cover 6 months' core operating costs, redundancies and lease obligations. The reserves policy figure deemed necessary at 31 March 2022 was £174,409. Unrestricted funds at the year-end were £300,604 (2021: £245,653) which means that the charity can meet the reserves figure of £174,409 as required by the policy, with a surplus of £126,195. The Trustees will review both the policy and the reserves position on a regular basis.

#### **Going Concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Annual budgets take into account the impact of COVID-19 and are monitored on a monthly basis. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### **Plans for the future**

Natural Ability is committed to continuing to grow the organisation to enable more individuals to benefit from the services provided. A 3 year Strategic Plan has been developed and is currently being worked towards. Key aims include:

# Natural Ability

## Report of the Trustees For the year ended 31 March 2022

### Service Delivery

- Increasing accommodation opportunities and solutions for individuals requiring supported housing services.
- Increasing Towards Independence Day Services, incorporating skills and accreditation opportunities.
- Continue with organizational growth, both in relation to numbers of people receiving services as well as geographical accessibility and delivery.
- Diversifying and enhancing services.
- Developing a Natural Ability 'Towards Independence' Learning Hub.
- Delivering high quality services that are evidence based.

### Organisational Infrastructure

- Strengthening the Natural Ability brand and raising awareness.
- Diversifying income streams.
- Increasing staff retention and attracting new employees.
- Reviewing historic structures.
- Developing an investment plan

As of March 2022, 55% of the strategic objectives are currently in progress and a number have now been completed. Although organisational development has been difficult due to the added pressures of the pandemic, the management team have, over the last year, focused on gaining intelligence and exploring new opportunities for a learning hub, increasing training opportunities for attendees of Day Services, diversifying income streams and enhancing the quality of all services.

The key focus for the coming year is the development of a Natural Ability Towards Independence Learning Hub, sustaining and growing current day service opportunities, introducing new technology to support with the collation and sharing of operational information and enhancing how we encourage and enable the people we support to meet their personal aspirations and goals.

### Statement of Trustees' responsibilities

The trustees (who are also directors of Natural Ability for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

## Natural Ability

### Report of the Trustees For the year ended 31 March 2022

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

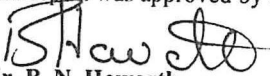
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

#### Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 8<sup>th</sup> December 2022



Mr. B. N. Howorth  
Chair of Trustees

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2022

### Opinion

We have audited the financial statements of Natural Ability (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 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 Auditor's 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 group's or parent 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2022

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, 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.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2022

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors

and other management. The most significant were identified as the Charities Act 2011, the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations

as part of our procedures on the related financial statements. Our audit procedures included:

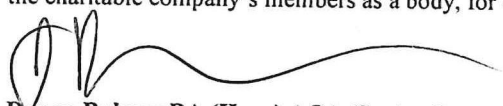
- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and
- whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of those charged with governance;
- assessing the risk of management override including identifying and testing journal entries;
- confirmation received directly from the banks to verify the balance at 31 March 2022; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)**  
For and on behalf of Haines Watts North East Audit LLP

*20 December 2022*  
.....

Statutory Auditors

17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN

# Natural Ability

## Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 March 2022

	Notes	Unrestricted funds	Restricted funds	Total 2022	Total 2021
		£	£	£	£
<b>Income from:</b>					
Grants and donations	4	52,233	109,451	161,684	142,682
Fundraising		365	-	365	158
Charitable activities	5	1,040,635	-	1,040,635	865,289
Interest receivable		31	-	31	101
<b>Total income</b>		<b>1,093,264</b>	<b>109,451</b>	<b>1,202,715</b>	<b>1,008,230</b>
<b>Expenditure on:</b>					
Raising funds		22,057	-	22,057	19,917
Charitable activities		1,016,256	113,709	1,129,965	941,467
<b>Total expenditure</b>	6	<b>1,038,313</b>	<b>113,709</b>	<b>1,152,022</b>	<b>961,384</b>
<b>Net income for the year</b>		<b>54,951</b>	<b>(4,258)</b>	<b>50,693</b>	<b>46,846</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		245,653	13,867	259,520	212,674
<b>Total funds carried forward</b>		<b>300,604</b>	<b>9,609</b>	<b>310,213</b>	<b>259,520</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

# Natural Ability

## Balance Sheet As at 31 March 2021

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	10	35,617	11,208
<b>Current assets</b>			
Debtors	11	29,162	99,160
Cash at bank	12	298,273	198,844
Cash in hand		1,054	458
		<u>328,489</u>	<u>298,462</u>
<b>Creditors: amounts falling due within one year</b>	13	(53,893)	(50,149)
<b>Net current assets</b>		<u>274,596</u>	<u>248,313</u>
<b>Net assets</b>		<u>310,213</u>	<u>259,520</u>
<b>Charity funds:</b>			
Unrestricted funds	17	300,604	245,653
Restricted funds	18	9,609	13,867
<b>Total</b>		<u>310,213</u>	<u>259,520</u>

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

Approved by the Board of Trustees on 8<sup>th</sup> December ..... 2022 and signed on their behalf by:

  
Mr. B. N. Howorth  
Chair of Trustees

# Natural Ability

## Cash flow Statement for the year ended 31 March 2022

	Notes	2022	2021
		£	£
<b>Cash generated from operations</b>			
Surplus on ordinary activities		50,693	46,846
Depreciation		8,213	3,705
Reconciliation to cash generated from operations:			
Increase/(Decrease) in creditors		3,743	18,937
Decrease/(Increase) in debtors		69,998	(47,834)
Capital expenditure		(32,622)	(2,892)
		<u>41,119</u>	<u>18,762</u>
<b>Reconciliation of funds</b>			
Total funds brought forward:			
Cash at bank and in hand brought forward as at 1 <sup>st</sup> April		199,302	180,540
Net movement in cash		100,024	18,762
<b>Total funds carried forward:</b>			
Cash at bank and in hand carried forward at 31 <sup>st</sup> March		<u>299,326</u>	<u>199,302</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

### 1. Legal status of the charity

The charity is a company limited by guarantee and, as such, no shares are issued. The liability of each member in the event of winding up is limited to £1.

### 2. Accounting policies

#### a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Natural Ability meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### b) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Annual budgets take into account the impact of COVID-19 and are monitored on a monthly basis. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### c) Fund accounting – unrestricted and restricted funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity without further specified purpose.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions given by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment costs.

Depreciation is charged at rates calculated to write down the cost of assets (excluding freehold land) over their estimated useful lives at the following rates:

Freehold buildings	2% straight line
Plant, equipment & furniture	15% reducing balance
Fixtures and equipment	20% straight line
I.T equipment	25% straight line
Vehicles	15% straight line

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the proceeds of sale and the carrying amount of the asset and is recognised in income or expenditure.

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

- e) **Income recognition**  
All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.  
Income from charitable activities received to deliver services is recognised within the relevant period.  
Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.  
Donated services and facilities are included where the amounts concerned can be quantified.
- f) **Deferred income**  
In the past, grant income received was held as deferred income and released to the income and expenditure account in the period in which the related expense was incurred. During 2021/22 no income was held as deferred income and none was released to the income and expenditure account.
- g) **Expenditure recognition**  
Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.  
Expenditure on raising funds comprise the costs incurred in raising income from grants and donations.  
Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.  
Governance costs represents costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.  
Support costs relating to more than one activity are allocated on the basis of staff time spent.
- h) **Cash at bank**  
Cash at bank consists of a Unity Trust Bank plc current account and a Unity Trust Bank plc instant access savings account.
- i) **Debtors**  
Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.
- j) **Creditors and provisions**  
Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.
- k) **Financial instruments**  
The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.
- l) **Pension costs**  
The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. The charity contribution in the year is disclosed in note 5. The pension scheme is managed by Nest Corporation. The charity has no liability beyond making its contributions and paying across the deductions of employees' contributions.

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

### 3. Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £
<b>Income from:</b>				
Grants and donations	4	69,306	79,028	148,334
Fundraising		158	-	158
Charitable activities	5	859,637	-	859,637
Interest receivable		101	-	101
<b>Total income</b>		<u>929,202</u>	<u>79,028</u>	<u>1,008,230</u>
<b>Expenditure on:</b>				
Raising funds		19,917	-	19,917
Charitable activities		849,133	92,334	941,467
<b>Total expenditure</b>	6	<u>869,050</u>	<u>92,334</u>	<u>961,384</u>
<b>Net income for the year</b>		60,152	(13,306)	46,846
<b>Reconciliation of funds</b>				
Total funds brought forward		185,501	27,173	212,674
<b>Total funds carried forward</b>		<u>245,653</u>	<u>13,867</u>	<u>259,520</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

### 4. Grants and donations

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Barbour Foundation	-	1,000	1,000	-
Community Foundation	-	5,000	5,000	-
James Knott Charitable Trust	-	10,000	10,000	-
LA6 Community Grant	-	7,810	7,810	-
Lloyds Bank Foundation	30,000	-	30,000	30,000
Lloyds Bank Foundation Covid-19 Support	-	-	-	12,300
Lottery Reaching Communities	-	73,141	73,141	63,107
The Ballinger Trust	-	12,000	12,000	12,000
The Percy Hedley 1990 Charitable Trust	-	500	500	-
The W A Handley Charitable Trust	2,000	-	2,000	-
Donations	409	-	409	100
Government JRS scheme	2,053	-	2,053	9,885
Government Funding re Covid-19	17,771	-	17,771	15,290
	<u>52,233</u>	<u>109,451</u>	<u>161,684</u>	<u>142,682</u>

### 5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Day Farming Fees	53,254	-	53,254	45,482
Handyperson Service	2,030	-	2,030	500
Independent Supported Living Programmes	985,093	-	985,093	783,700
Other	258	-	258	8
Towards Independence	-	-	-	4,837
	<u>1,040,635</u>	<u>-</u>	<u>1,040,635</u>	<u>865,289</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

### 6. Total expenditure

	Raising Funds	Charitable activities	Governance costs	Total 2022	Total 2021
	£	£	£	£	£
<b>Direct costs</b>					
Bad Debt	-	3,256	-	3,256	3,394
Day Farming costs	-	5,784	-	5,784	1,246
Depreciation	-	8,213	-	8,213	3,705
Fundraising costs	498	-	-	498	-
Handyperson costs	-	967	-	967	55
Independent Supported Living costs	-	14,266	-	14,266	7,289
Short Breaks/Respite costs	-	-	-	-	90
Staff costs	-	904,895	-	904,895	774,716
Vehicle costs	-	8,886	-	8,886	3,869
Volunteer costs	-	-	-	-	10
<b>Allocated support costs</b>					
Staff costs	11,311	126,017	8,509	145,837	116,653
Office costs	10,248	40,148	5,124	55,320	46,457
Professional fees	-	-	4,100	4,100	3,900
	<u>22,057</u>	<u>1,112,432</u>	<u>17,733</u>	<u>1,152,022</u>	<u>961,384</u>

### 7. Net incoming/(outgoing) reserves

Net incoming/(outgoing) resources for the year include:

	2022	2021
	£	£
Depreciation	8,213	3,705
Auditors' remuneration	4,100	3,900

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

### 8. Analysis of staff costs, and the cost of key management personnel

The aggregate staff costs were:

	2022	2021
	£	£
Wages and salaries	960,779	810,079
Social security costs	75,538	63,928
Pension costs	14,209	16,033
	<u>1,050,526</u>	<u>890,040</u>

The charity considers its key management personnel comprise the Trustees, the Chief Executive Officer, the Business Development Manager, the Finance Manager, the HR Advisor, the Senior ISL Manager and the Day Services Manager. The total employment benefits of the key management personnel were £168,737 (2021: £170,191).

There are no employees with employment benefits above £60,000 per annum.

The average number of staff during the year was 49 (2021: 37).

### 9. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

### 10. Tangible fixed assets

	Motor Vehicles	I.T. equipment	Plant, equipment & furniture	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	37,961	18,134	6,414	62,509
Additions	24,035	5,562	3,025	32,622
Disposals	-	-	-	-
<b>At 31 March 2022</b>	<u>61,996</u>	<u>23,696</u>	<u>9,439</u>	<u>95,131</u>
<b>Depreciation</b>				
At 1 April 2021	33,099	15,289	2,913	51,301
Charge for the year	4,647	2,585	981	8,213
On disposals	-	-	-	-
<b>At 31 March 2022</b>	<u>37,746</u>	<u>17,874</u>	<u>3,894</u>	<u>59,514</u>
<b>Net book value</b>				
<b>At 31 March 2022</b>	<u>24,250</u>	<u>5,822</u>	<u>5,545</u>	<u>35,617</u>
At 31 March 2021	<u>4,862</u>	<u>2,845</u>	<u>3,501</u>	<u>11,208</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

### 11. Debtors

	2022	2021
	£	£
Trade debtors	24,531	20,858
Prepayments and accrued income	4,631	78,302
	<u>29,162</u>	<u>99,160</u>

### 12. Cash at Bank

	2022	2021
	£	£
Unity Trust Bank Current Account	247,324	147,926
Unity Trust Bank Savings Account	50,949	50,918
	<u>298,273</u>	<u>198,844</u>

### 13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,493	334
Other taxation and social security	28,377	26,373
Accruals	23,023	23,442
	<u>53,893</u>	<u>50,149</u>

### 14. Commitments under operating lease

At 31 March 2022 future minimum rentals payable under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Within one year	403	2,382
In two to five years	403	1,109
	<u>806</u>	<u>3,491</u>

### 15. Pension

#### Defined contribution pension schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £14,209 (2021 - £16,033).

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

### 16. Unrestricted funds

#### Year ended 31 March 2022

	At 1- Apr-21	Income	Expenditure	Transfer	At 31- Mar-22
	£	£	£	£	£
Unrestricted funds	225,653	1,093,264	(1,018,313)	-	300,604
Designated funds	20,000	-	(20,000)	-	-
Replacement vehicle(s)					
	245,653	1,093,264	(1,038,313)	-	300,604

#### Year ended 31 March 2021

	At 1- Apr-20	Income	Expenditure	Transfer	At 31- Mar-22
	£	£	£	£	£
Unrestricted funds	165,501	929,202	(826,394)	-	225,653
Designated funds	20,000	-	-	-	20,000
Replacement vehicle(s)					
	185,501	929,202	(826,394)	-	245,653

#### Designated funds

Replacement vehicle(s) – relates to funds set aside to replace vehicles. This was spent post year end.

### 17. Restricted income funds

#### Year ended 31 March 2022

	At 1- Apr-21	Income	Expenditure	Transfer	At 31- Mar-22
	£	£	£	£	£
Awards For All (a)	465	-	(465)	-	-
Awards For All (b)	9,293	-	(9,293)	-	-
Barbour Foundation	-	1,000	(1,000)	-	-
Boshier-Hinton Foundation	4,109	-	-	-	4,109
Community Foundation	-	5,000	-	-	5,000
James Knott Charitable Trust	-	10,000	(10,000)	-	-
LA6 Community Grant	-	7,810	(7,810)	-	-
Lottery Reaching Communities	-	73,141	(73,141)	-	-
The Ballinger Trust	-	12,000	(12,000)	-	-
The Percy Hedley 1990 Charitable Trust	-	500	-	-	500
	13,867	109,451	(113,709)	-	9,609

The Awards For All (a) grant was for the purpose of purchasing and running a vehicle for the Handyperson Service.

The Awards For All (b) grant was for training for Day Farming attendees and Handyperson service workers.

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2022

The Barbour Foundation grant for a contribution towards the purchase of laptops.

The Boshier Hinton Foundation grant was for a summer activities programme.

The Community Foundation grant was for salary and running costs for delivery of the Handyperson scheme.

The James Knott Charitable Trust grant was for project costs for the Day Farming Service.

The LA6 Community Grant was for a Natural Skills project providing education and training to people with learning and other disabilities.

The Lottery Reaching Communities grant is an ongoing grant programme supporting our Day Farming and Handyperson services.

The Ballinger Trust grant was for our Day Farming service.

The Percy Hedley 1990 Charitable Trust grant was for core costs for the financial year ending 31 March 2023.

### 18. Analysis of funds

<u>Year ended 31 March 2022</u>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	35,617	-	35,617
Net current assets	264,987	9,609	274,596
	<u>300,604</u>	<u>9,609</u>	<u>310,213</u>

<u>Year ended 31 March 2021</u>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	11,208	-	11,208
Net current assets	234,445	13,867	248,312
	<u>245,653</u>	<u>13,867</u>	<u>259,520</u>

### 19. Related parties

There have been no transactions incurred with related parties during the period (2021 – none).

**NATURAL ABILITY**

England & Wales - Charity number 1136665

---

# Accounts

---

**Natural Ability**  
(A charitable company limited by guarantee)

**Report and Financial Statements**

**31<sup>st</sup> March 2021**

**Registered company number 6959710**  
**Registered charity number 1136665**

# Natural Ability

## Contents

Company Information	3
Report of the Trustees	4
Independent Auditor's Report	13
Statement of Financial Activities (including Income and Expenditure Account)	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20

**Natural Ability**  
**Company Information**  
**For the year ended 31 March 2021**

**Trustees**

Mr. R. E. H. Philipson	
Mr. A. J. Sanders	Resigned 06/10/2021
Mr. B. N. Howorth	
Mr. M. J. Quinn	
Mrs. M. Holmes	
Mrs. D. Gardener	Appointed 11/08/2021

**Key management**

Chief Executive and Company Secretary	Mrs. N Crawford
Business Development Manager	Janice Walker
Finance Manager	Kathy Lowe
HR Advisor	Michelle Sharman
Senior ISL Manager	Fiona Carlile
Day Services Manager	Suzanne Keen

**Registered office**

The Beacon  
Beaufront Park  
Anick Road  
Hexham  
Northumberland  
NE46 5TU

**Accountants**

Haines Watts  
17 Queen's Lane  
Newcastle upon Tyne  
NE1 1RN

**Bankers**

Unity Trust Bank plc  
Nine Brindleyplace  
Birmingham  
B1 2HB

**Registered Company number**

6959710

**Charity number**

1136665

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2021

The Trustees are pleased to present their report and unaudited financial statements for the year ended 31<sup>st</sup> March 2021.

Reference and administrative details, set out on the previous page, form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

#### **Structure, governance and management**

##### Governing document

Natural Ability is a company limited by guarantee and is governed by its memorandum and articles of association dated 3 May 2010. It was registered with the Charity Commission on 30 June 2010.

##### Appointment of Trustees

The Trustees are directors for the purposes of company law and the members of the charity must become Trustees. The number of Trustees must not be less than three and not more than nine persons.

##### Induction and training of Trustees

The induction and training of Trustees is dealt with according to individual need. Trustees usually have prior professional or charity knowledge and experience.

##### Organisation

The charity is managed by the Trustees, who meet approximately 6 times a year. Three Trustees are needed for a quorum. The Trustees who have served during the year are set out on the Company Information page.

The Trustees are responsible for the leadership, strategic development and effectiveness of the charity.

The Chief Executive Officer controls day to day operations, the delivery of services and the development of new business.

The Business Development Manager is responsible for the development of new services and procurement of grant funding.

The Finance Manager is responsible for all finance functions and oversees facility management of Head Office.

The Services Managers ensure that service delivery processes are effective, safe, high quality and meet regulatory requirements relating to the care and support for the people who use Natural Ability.

The Human Resources Advisor ensures that the organisation meets its legal responsibilities relating to employment law, safer recruitment principles are adhered to and a positive working culture is provided for all employees.

#### **Risk Management**

A full set of policies on health and safety, financial management, staffing, information security and customer liaison have been established and are reviewed as required and at least every 3 years.

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2021

#### Safety

The charity has a focus on the safety and security of its entire workforce and customers, particularly as a number of them are vulnerable people. With this in mind:

- All staff are trained first aiders;
- All staff must obtain an enhanced Disclosure and Barring Service check, are encouraged to join the Update Service and are governed by the charity's policy for safeguarding vulnerable adults and children.

The charity's Health and Safety Officer is Nicola Crawford (CEO).

The charity's employer's liability, public and products liability, professional indemnity, Trustees and Director's indemnity and contents insurance policy is provided by Towergate Insurance.

#### **Objectives and activities**

The relief of young people and adults with learning disabilities and/or physical disabilities and/or mental disabilities, in part but not exclusively by the provision of:

- a. Housing, supported living, short breaks, employment, education, training and learning opportunities, emphasising the protection or conservation of the environment and local heritage, wherever possible;
- b. Developing such other charitable forms of support as required.

#### **Current Activities**

Natural Ability provides support under three service areas:

Service Area 1 – Independent Supported Living (ISL)

Service Area 2 – Day Services

Service Area 3 – Towards Independence & Enabling

#### **Service Area 1- ISL**

Natural Ability continues to provide an ISL service across West Northumberland, currently supporting eleven individuals to live within their own homes. The people who use our service are supported to have choice and control over all aspects of their lives. These choices can include where they live, who they live with and what activities and community engagement they choose to participate in to enrich their daily lives.

#### **Service Area 2 – Day Services**

##### 1) Day Farming

Individuals using our Day Farming service can access a wide range of opportunities working outdoors in the North Pennines and surrounding areas. As well as providing the people who use our service with a sense of physical and psychological wellbeing, Natural Ability provides rural training and work experience. The service works in partnership with the local farming community, therefore enabling our Day Farmers to work as part of a team to develop and support the work of farms, community gardens and other community activities.

# Natural Ability

## Report of the Trustees For the year ended 31 March 2021

### 2) Handy Person Service

The Handy Person Service provides people with learning disabilities a valuable employment opportunity working within their local community. The Handy Person team work alongside a skilled and experienced supervisor taking on jobs such as gardening, landscaping, fencing, painting and decorating. This service is growing rapidly, developing the skills of those involved whilst also building community links, community inclusion and strengthening supportive work placed opportunities for those perceived to be furthest from the labour market.

#### **Service Area 3 – Towards Independence & Enabling**

This service offers alternative education to post-16 year olds. Individuals can work towards building their knowledge and experience in a wide range of subjects with a focus on life skills, social skills, employability and working towards independence.

#### **Public benefit**

The trustees have had regards to the Charity Commission's guidance on their legal duty on public benefit, and are satisfied that the charitable company delivers public benefit, and due regard is paid to the guidance on public benefit whilst reviewing the charitable company's aim and objectives and also when planning future objects and deciding what new projects the charitable company should undertake.

#### **Achievements and performance**

The last year was undoubtedly challenging and unusual for all businesses operating during a global pandemic, but particularly for the social care sector which had to continue to provide support to vulnerable people during this time. However, a key achievement of the organisation has been the ability to minimise the impact of the Covid-19 pandemic on the people we support, our staff team and the organisation as a whole.

As Natural Ability support individuals with learning disabilities (therefore in the highly vulnerable category) the management team had to be both incredibly proactive and reactive in preparing for the pandemic and also the changes to guidance that have and continue to occur, sometimes on a daily basis. The proactive work in reviewing and developing additional continuity plans, transition plans, protocols, risk assessments, equipment and resource requirements, along with successfully managing the welfare of the people supported and our staff teams, placed the organisation in a resilient position for the impact that Covid-19 brought.

The frontline support staff of Natural Ability have proven invaluable during the Covid-19 pandemic; their flexibility, commitment and dedication to the services have been outstanding. Staff have worked additional hours, changed shifts, taken on additional roles, been creative and very much thought outside of the box to ensure the impact to the people supported has been minimal.

Key organisational achievements during the past year have been that no ISL service was unable to be delivered, no staff member was furloughed due to financial reasons, all day service attendees received regular communication, activities and virtual support and there has been no major outbreak in any of the organisation's services. Another major achievement during the Covid-19 pandemic has been the continuation of enabling new people to access services as we have welcomed three new individuals to the service. All of this is a testament to the management team's strategic handling of the pandemic, the staff's dedication, caring and creativity and every member of the organisation's commitment to robust infection prevention and control practices.

## Natural Ability

### Report of the Trustees For the year ended 31 March 2021

Classroom-based training was unable to take place during the last year due to the pandemic but with the introduction of a new e-learning platform, staff have continued to successfully complete mandatory training and additional training in infection prevention and control. With the lifting of lockdown measures, enhanced and classroom-based training has been planned based on in-depth individual learning needs analyses.

#### ISL

The Independent Supported Living services now support a total of 11 people to live in their own homes. The income from Independent Supported Living services in the year ending 31 March 2021 was £809,898 (2020: £759,817).

As always the ISL staff show a great level of dedication and care to enable the people supported to live full and interesting lives as far as possible. With the lifting of Covid restrictions, support staff have begun to support individuals to plan holidays within the UK. Staff have enabled individuals to demonstrate choice in where and who they live with, supporting with house moves during the year. Support staff have continuously supported people to maintain their social circles via telephone and video calling during the pandemic and have been enabling individuals to begin accessing the activities and events they enjoyed previously, as well as trying new activities since the lifting of restrictions. Individuals have been supported to resume both paid and voluntary work placements and to investigate new opportunities.



# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2021



#### Day Farming and Handy Person

Day Farming has continued successfully and generated £45,482 over the year in earned income (2020: £42,407).

Day Farming is currently providing work experience, training and benefits in physical and mental health for 12 Day Farmers over 5 days per week. Despite the temporary suspension of in-person Day Services due to government restrictions, the team provided virtual video tutorials and delivered resource kits that could be used in individuals' homes and gardens and ensure the impact of the service suspension was minimised.

Since the lifting of restrictions, the Day Farming team has resumed working with the valued venues that regularly host them as well as sourcing new venues, including a number of working farms and community gardens. The walking group have held a range of interesting and educational therapeutic walks and visits across the North East region.

The team has renewed links with local traders such as Homebase and Tesco to support a service focus of recycling and re-using. The Day Farming attendees have enjoyed collecting plants that were to be thrown out, determining whether they can be reused or recycled into compost and have nurtured many plants back to health.

The Handy Person Service successfully engaged the community and generated £500 income from sales of services.

The service has provided regular employment for 4 people with learning difficulties and has resumed one regular contractual job as well as taking on three new contracts since restrictions were lifted. The contracts include a litter picking service which is highly valued by the community with many comments from locals about how good it was to see the workers back out and about. They also have maintenance and gardening contracts with a local primary school and other community venues. The Handy Person workers are looking forward to getting back to building their skills in gardening, landscaping, painting and decorating by once again performing jobs within the local community.

## Natural Ability

### Report of the Trustees For the year ended 31 March 2021



# Natural Ability

## Report of the Trustees For the year ended 31 March 2021

### Towards Independence & Enabling

The Towards Independence & Enabling service generated £4,837 during the year.

Due to Covid restrictions, the planned strategic development and growth of the enabling service was limited. With the easing of restrictions, and Natural Ability successfully achieving preferred provider on the Northumberland Local Authority social care framework, we aim to be in a stronger position to deliver more enabling services in future.

Grant income generated in the year was £117,507 (2020: £148,226), from the Big Lottery Fund, the Lloyds Bank Foundation and the Ballinger Trust. Donations were received in the amount of £100 (2020: £685). Unfortunately due to the Covid-19 pandemic, we were not able to perform any other fundraising activity this year (2020: £1,682).

### **Financial review**

The net income for the year was £46,846 (net income 2020: £47,803) as disclosed in the Statement of Financial Activities on page 17. Unrestricted funds at the year-end were £245,653 (2020: £185,501).

The principal source of income comprised earned income of £859,637 (2020: £818,622), with a further £148,334 (2020: £149,908) in grants, donations and fundraising.

The year ending 31 March 2021 saw a similar level of earned income to grant income as the previous year. The proportion of earned income for the year ending 31 March 2021 was 85% (2020: 85%).

### **Reserves policy**

It is the policy of the charity to seek to establish and maintain a reserves fund based on a business risk assessment to cover 6 months' core operating costs, redundancies and lease obligations. The reserves policy figure deemed necessary at 31 March 2021 was £151,458. Unrestricted funds at the year-end were £245,653 (2020: £185,501) which means that the charity can meet the reserves figure of £151,458 as required by the policy, with a surplus of £94,195. Included within this surplus is designated funds of £20,000 for the replacement of vehicles. The Trustees will review both the policy and the reserves position on a regular basis.

### **Going Concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Annual budgets take into account the impact of COVID-19 and are monitored on a monthly basis. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

# Natural Ability

## Report of the Trustees

### For the year ended 31 March 2021

#### Plans for the future

Natural Ability is committed to continuing to grow the organisation to enable more individuals to benefit from the services provided. A 3 year Strategic Plan has been developed in which key aims include:

#### Service Delivery

- Increasing accommodation opportunities and solutions for individuals requiring supported housing services.
- Increasing Towards Independence Day Services, incorporating skills and accreditation opportunities.
- Continue with organizational growth, both in relation to numbers of people receiving services as well as geographical accessibility and delivery.
- Diversifying and enhancing services.
- Developing a Natural Ability 'Towards Independence' Learning Hub.
- Delivering high quality services that are evidence based.

#### Organisational Infrastructure

- Strengthening the Natural Ability brand and raising awareness.
- Diversifying income streams.
- Increasing staff retention and attracting new employees.
- Reviewing historic structures.
- Developing an investment plan.

#### Statement of Trustees' responsibilities

The trustees (who are also directors of Natural Ability for the purposes of company law) are responsible for preparing the Trustees' Annual Report 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

## Natural Ability

### Report of the Trustees For the year ended 31 March 2021


The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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 auditor is 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 auditor is aware of that information.

#### Small company provisions

This report has been prepared in accordance with the special provisions for small companies, under Part 15 of the Companies Act 2006.

This report was approved by the Trustees on  .....

**Mr. B. N. Howorth**  
Chair of Trustees

1<sup>st</sup> December 2021

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2021

### Opinion

We have audited the financial statements of Natural Ability (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charitable company's activities, customers, suppliers and wider economy. The trustees' view on the impact of COVID-19 is disclosed on within the trustees report on page 10 and accounting policies.

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2021

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of our 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2021

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, 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.

### Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the trustees and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- confirmation received from the banks to verify the balance as on the last day of the accounting year;
- reviewing minutes of meetings of those charged with governance; and
- challenging the assumptions and judgements made by management in its significant accounting estimates

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

# Natural Ability

## Independent Auditors' Report to the members of Natural Ability For the year ended 31 March 2021

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Other Matter

In the previous accounting period the trustees of the charitable company took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

### Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)**  
**For and on behalf of Haines Watts North East Audit LLP**

Statutory Auditors

13 December 2021

17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN

# Natural Ability

## Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31 March 2021

	Notes	Unrestricted funds	Restricted funds	Total 2021	Total 2020
		£	£	£	£
<b>Income from:</b>					
Grants and donations	4	69,306	79,028	148,334	148,226
Fundraising		158	-	158	1,682
Charitable activities	5	859,637	-	859,637	818,622
Interest receivable		101	-	101	144
<b>Total income</b>		<b>929,202</b>	<b>79,028</b>	<b>1,008,230</b>	<b>968,674</b>
<b>Expenditure on:</b>					
Raising funds		19,917	-	19,917	22,154
Charitable activities		849,133	92,334	941,467	898,717
<b>Total expenditure</b>	6	<b>869,050</b>	<b>92,334</b>	<b>961,384</b>	<b>920,871</b>
<b>Net income for the year</b>		<b>60,152</b>	<b>(13,306)</b>	<b>46,846</b>	<b>47,803</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		185,501	27,173	212,674	164,871
<b>Total funds carried forward</b>		<b>245,653</b>	<b>13,867</b>	<b>259,520</b>	<b>212,674</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

# Natural Ability

## Balance Sheet As at 31 March 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	10	11,208	12,021
<b>Current assets</b>			
Debtors	11	99,160	51,326
Cash at bank	12	198,844	180,420
Cash in hand		458	120
		<hr/>	<hr/>
		298,462	231,866
<b>Creditors: amounts falling due within one year</b>	13	(50,150)	(31,213)
<b>Net current assets</b>		<hr/>	<hr/>
		248,312	200,653
<b>Net assets</b>		<hr/>	<hr/>
		259,520	212,674
<b>Charity funds:</b>			
Unrestricted funds	17	245,653	185,501
Restricted funds	18	13,867	27,173
<b>Total</b>		<hr/>	<hr/>
		259,520	212,674

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

Approved by the Board of Trustees on 1<sup>st</sup> December ..... 2021 and signed on their behalf by:

  
Mr. B. N. Howorth  
Chair of Trustees

**Natural Ability**

**Cash flow Statement**  
**for the year ended 31 March 2021**

	Notes	2021	2020
		£	£
<b>Cash generated from operations</b>			
Surplus on ordinary activities		46,846	47,803
Depreciation		3,705	6,564
Reconciliation to cash generated from operations:			
Increase/(Decrease) in creditors		18,937	(3,114)
(Increase)/Decrease in debtors		(47,834)	43,062
Capital expenditure		(2,892)	(10,627)
		18,762	83,688
 <i>Reconciliation of funds</i>			
Total funds brought forward:			
Cash at bank and in hand brought forward as at 1 <sup>st</sup> April		180,540	96,852
Net movement in cash		18,762	83,688
 <b>Total funds carried forward:</b>			
Cash at bank and in hand carried forward at 31 <sup>st</sup> March		199,302	180,540

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

### 1. Legal status of the charity

The charity is a company limited by guarantee and, as such, no shares are issued. The liability of each member in the event of winding up is limited to £1.

### 2. Accounting policies

#### a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

Natural Ability meets the definition of a public benefit under FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### b) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. Annual budgets take into account the impact of COVID-19 and are monitored on a monthly basis. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

#### c) Fund accounting – unrestricted and restricted funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity without further specified purpose.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions given by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment costs.

Depreciation is charged at rates calculated to write down the cost of assets (excluding freehold land) over their estimated useful lives at the following rates:

Freehold buildings	2% straight line
Plant, equipment & furniture	15% reducing balance
Fixtures and equipment	20% straight line
I.T equipment	25% straight line
Vehicles	15% straight line

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the proceeds of sale and the carrying amount of the asset and is recognised in income or expenditure.

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

**e) Income recognition**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities received to deliver services is recognised within the relevant period.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank.

Donated services and facilities are included where the amounts concerned can be quantified.

**f) Deferred income**

In the past, grant income received was held as deferred income and released to the income and expenditure account in the period in which the related expense was incurred. During 2020/21 no income was held as deferred income and none was released to the income and expenditure account.

**g) Expenditure recognition**

Expenditure is recognised as soon as there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure on raising funds comprise the costs incurred in raising income from grants and donations.

Charitable expenditure comprises all costs of activities in furtherance of the objects of the charity.

Governance costs represents costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Support costs relating to more than one activity are allocated on the basis of staff time spent.

**h) Cash at bank**

Cash at bank consists of a Unity Trust Bank plc current account and a Unity Trust Bank plc instant access savings account.

**i) Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**j) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**k) Financial instruments**

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially measured at transaction value and subsequently measured at their settlement value.

**l) Pension costs**

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable. The charity contribution in the year is disclosed in note 5. The pension scheme is managed by Nest Corporation. The charity has no liability beyond making its contributions and paying across the deductions of employees' contributions.

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

### 3. Comparative Statement of Financial Activities

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £
<b>Income from:</b>				
Grants and donations	4	40,685	107,541	148,226
Fundraising		1,682	-	1,682
Charitable activities	5	818,622	-	818,622
Interest receivable		144	-	144
<b>Total income</b>		<b>861,133</b>	<b>107,541</b>	<b>968,674</b>
<b>Expenditure on:</b>				
Raising funds		22,154	-	22,154
Charitable activities		804,240	94,477	898,717
<b>Total expenditure</b>	6	<b>826,394</b>	<b>94,477</b>	<b>920,871</b>
<b>Net income for the year</b>		<b>34,739</b>	<b>13,064</b>	<b>47,803</b>
<i>Reconciliation of funds</i>				
Total funds brought forward		150,762	14,109	164,871
<b>Total funds carried forward</b>		<b>185,501</b>	<b>27,173</b>	<b>212,674</b>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

### 4. Grants and donations

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Awards For All	-	-	-	9,293
Baily Thomas Charitable Fund	-	-	-	12,000
LA6 Community Grant	-	-	-	11,715
Lloyds Bank Foundation	30,000	-	30,000	40,000
Lloyds Bank Foundation Covid-19 Support	12,300	-	12,300	-
Lottery Reaching Communities	-	63,107	63,107	62,533
The Ballinger Trust	-	12,000	12,000	12,000
Donations	100	-	100	685
Government JRS scheme	9,885	-	9,885	-
Government Funding re Covid-19	17,020	-	17,020	-
Government Infection Control Fund	-	3,921	3,921	-
	69,305	79,028	148,333	148,226

### 5. Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Day Farming Fees	45,482	-	45,482	42,407
Handyperson Service	500	-	500	3,050
Independent Supported Living Programmes	808,810	-	808,810	759,817
Other	8	-	8	542
Short Breaks/Respite Programme	-	-	-	3,455
Specialist Education Provision	-	-	-	337
Towards Independence	4,837	-	4,837	9,014
	859,637	-	859,637	818,622

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

### 6. Total expenditure

	Raising Funds	Charitable activities	Governance costs	Total 2021	Total 2020
	£	£	£	£	£
<b>Direct costs</b>					
Bad Debt	-	3,394	-	3,394	2,427
Day Farming costs	-	1,246	-	1,246	2,933
Depreciation	-	3,705	-	3,705	6,564
Fundraising costs	-	-	-	-	505
Handyperson costs	-	55	-	55	241
Holiday Club costs	-	-	-	-	536
Independent Supported Living costs	-	7,289	-	7,289	16,033
Vehicle costs	-	3,869	-	3,869	5,739
Short Breaks/Respite costs	-	90	-	90	1,140
Specialist Education Programme costs	-	-	-	-	1,672
Staff costs	-	774,716	-	774,716	711,415
Volunteer costs	-	10	-	10	402
<b>Allocated support costs</b>					
Staff costs	11,723	97,800	7,130	116,653	112,870
Office costs	8,194	34,166	4,097	46,457	54,494
Professional fees	-	-	3,900	3,900	3,900
	<u>19,917</u>	<u>926,340</u>	<u>15,127</u>	<u>961,384</u>	<u>920,871</u>

### 7. Net incoming/(outgoing) reserves

Net incoming/(outgoing) resources for the year include:

	2021	2020
	£	£
Depreciation	3,705	6,564
Auditors' remuneration	<u>3,900</u>	<u>3,900</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

### 8. Analysis of staff costs, and the cost of key management personnel

The aggregate staff costs were:

	2021	2020
	£	£
Wages and salaries	810,079	814,176
Social security costs	63,928	55,368
Pension costs	16,033	14,830
	<u>890,040</u>	<u>884,374</u>

The charity considers its key management personnel comprise the Trustees, the Chief Executive Officer, the Business Development Manager, the Finance Manager, the HR Advisor, the Senior ISL Manager and the Day Services Manager. The total employment benefits of the key management personnel were £170,191.

There are no employees with employment benefits above £60,000 per annum.

The average number of staff during the year was 37 (2020: 37).

### 9. Trustees' remuneration and related party transactions

The trustees did not receive any emoluments during the year and were not paid or reimbursed for any expenses.

### 10. Tangible fixed assets

	Motor Vehicles	I.T. equipment	Plant, equipment & furniture	Total
<b>Cost</b>	£	£	£	£
At 1 April 2020	37,960	15,458	6,198	59,616
Additions	-	2,676	216	2,892
Disposals	-	-	-	-
<b>At 31 March 2021</b>	<u>37,960</u>	<u>18,134</u>	<u>6,414</u>	<u>62,508</u>
<b>Depreciation</b>				
At 1 April 2020	32,056	13,244	2,295	47,595
Charge for the year	1,042	2,045	618	3,705
On disposals	-	-	-	-
<b>At 31 March 2021</b>	<u>33,098</u>	<u>15,289</u>	<u>2,913</u>	<u>51,300</u>
<b>Net book value</b>				
At 31 March 2021	<u>4,862</u>	<u>2,845</u>	<u>3,501</u>	<u>11,208</u>
At 31 March 2020	<u>5,904</u>	<u>2,214</u>	<u>3,903</u>	<u>12,021</u>

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

### 11. Debtors

	2021	2020
	£	£
Trade debtors	20,858	4,712
Prepayments and accrued income	78,302	46,614
	<u>99,160</u>	<u>51,326</u>

### 12. Cash at Bank

	2021	2020
	£	£
Unity Trust Bank Current Account	147,926	129,603
Unity Trust Bank Savings Account	50,918	50,817
	<u>198,844</u>	<u>180,420</u>

### 13. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	334	360
Other taxation and social security	26,373	16,756
Accruals	23,443	14,097
	<u>50,150</u>	<u>31,213</u>

### 14. Commitments under operating lease

At 31 March 2021 future minimum rentals payable under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Within one year	2,382	2,281
In two to five years	1,109	2,281
	<u>3,491</u>	<u>4,562</u>

### 15. Pension

#### Defined contribution pension schemes

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £16,033 (2020 - £14,830).

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

### 16. Unrestricted funds

#### Year ended 31 March 2021

	At 1- Apr-20	Income	Expenditure	Transfer	At 31- Mar-21
	£	£	£	£	£
Unrestricted funds	165,501	929,202	(869,050)	-	225,653
Designated funds	20,000	-	-	-	20,000
Replacement vehicle(s)					
	185,501	929,202	(869,050)	-	245,653

#### Year ended 31 March 2020

	As restated At 1- Apr-19	Income	Expenditure	Transfer	At 31- Mar-20
	£	£	£	£	£
Unrestricted funds	150,762	861,133	(826,394)	(20,000)	165,501
Designated funds	-	-	-	20,000	20,000
Replacement vehicle(s)					
	150,762	861,133	(826,394)	-	185,501

#### Designated funds

Replacement vehicle(s) – relates to funds set aside to replace vehicles. This was spent post year end.

### 17. Restricted income funds

#### Year ended 31 March 2021

	At 1- Apr-20	Income	Expenditure	Transfer	At 31- Mar-21
	£	£	£	£	£
Awards For All (a)	2,056	-	(1,591)	-	465
Awards For All (b)	9,293	-	-	-	9,293
Boshier-Hinton Foundation	4,109	-	-	-	4,109
LA6 Community Grant	11,715	-	(11,715)	-	-
Lottery Reaching Communities	-	63,107	(63,107)	-	-
The Ballinger Trust	-	12,000	(12,000)	-	-
Government Infection Control Fund	-	3,921	(3,921)	-	-
	27,173	79,028	(92,334)	-	13,867

#### Year ended 31 March 2020

	At 1- Apr-19	Income	Expenditure	Transfer	At 31- Mar-20
	£	£	£	£	£
Awards For All (a)	10,000	-	(7,944)	-	2,056
Awards For All (b)	-	9,293	-	-	9,293
Baily Thomas Charitable Fund	-	12,000	(12,000)	-	-
Boshier-Hinton Foundation	4,109	-	-	-	4,109
LA6 Community Grant	-	11,715	-	-	11,715
Lottery Reaching Communities	-	62,533	(62,533)	-	-
The Ballinger Trust	-	12,000	(12,000)	-	-
	14,109	107,541	(94,477)	-	27,173

# Natural Ability

## Notes to the financial statements for the year ended 31 March 2021

The Awards For All (a) grant was for the purpose of purchasing and running a vehicle for the Handyperson Service.

The Awards For All (b) grant was for training for Day Farming attendees and Handyperson service workers.

The Boshier Hinton Foundation grant was for a summer activities programme.

The LA6 Community Grant was for a Natural Skills project providing education and training to people with learning and other disabilities.

The Lottery Reaching Communities grant is an ongoing grant programme supporting our Day Farming and Handyperson services.

The Ballinger Trust grant was for our Day Farming service.

The Adult Social Care Infection Control Fund was introduced in May 2020. The primary purpose of this fund is to support adult social care providers to reduce the rate of Covid-19 transmission in and between services and support wider workforce resilience.

### 18. Analysis of funds

#### Year ended 31 March 2021

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	11,208	-	11,208
Net current assets	234,445	13,867	248,312
	<u>245,653</u>	<u>13,867</u>	<u>259,520</u>

#### Year ended 31 March 2020

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Fixed assets	12,021	-	12,021
Net current assets	173,480	27,173	200,653
	<u>185,501</u>	<u>27,173</u>	<u>212,674</u>

### 19. Related parties

There have been no transactions incurred with related parties during the period (2020 – none).