

Natural Ability
(A charitable company limited by guarantee)

Report and Financial Statements

31st March 2021

Registered company number 6959710
Registered charity number 1136665

Natural Ability

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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 31st 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.

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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.

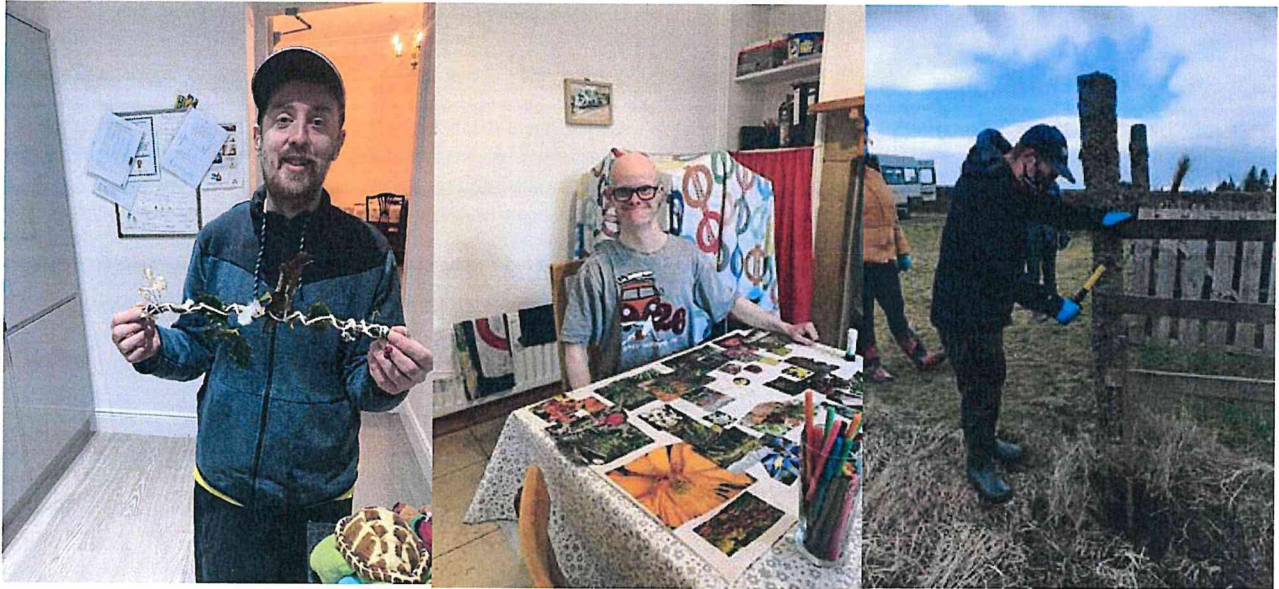
Since the lifting of restrictions, the Day Farming team has resumed working with the valued venues that regularly host them as well as sourcing new venues, including a number of working farms and community gardens. The walking group have held a range of interesting and educational therapeutic walks and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

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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

1st 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. 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
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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
		£	£	£	£
Income from:					
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
Total income		929,202	79,028	1,008,230	968,674
Expenditure on:					
Raising funds		19,917	-	19,917	22,154
Charitable activities		849,133	92,334	941,467	898,717
Total expenditure	6	869,050	92,334	961,384	920,871
Net income for the year		60,152	(13,306)	46,846	47,803
Reconciliation of funds					
Total funds brought forward		185,501	27,173	212,674	164,871
Total funds carried forward		245,653	13,867	259,520	212,674

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 £
Fixed assets			
Tangible assets	10	11,208	12,021
Current assets			
Debtors	11	99,160	51,326
Cash at bank	12	198,844	180,420
Cash in hand		458	120
		<u>298,462</u>	<u>231,866</u>
Creditors: amounts falling due within one year	13	(50,150)	(31,213)
Net current assets		<u>248,312</u>	<u>200,653</u>
Net assets		<u>259,520</u>	<u>212,674</u>
Charity funds:			
Unrestricted funds	17	245,653	185,501
Restricted funds	18	13,867	27,173
Total		<u>259,520</u>	<u>212,674</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 1st 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
	£	£
Cash generated from operations		
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
 Reconciliation of funds		
Total funds brought forward:		
Cash at bank and in hand brought forward as at 1 st April	180,540	96,852
Net movement in cash	18,762	83,688
 Total funds carried forward:		
Cash at bank and in hand carried forward at 31 st 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 £
Income from:				
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
Total income		861,133	107,541	968,674
Expenditure on:				
Raising funds		22,154	-	22,154
Charitable activities		804,240	94,477	898,717
Total expenditure	6	826,394	94,477	920,871
Net income for the year		34,739	13,064	47,803
<i>Reconciliation of funds</i>				
Total funds brought forward		150,762	14,109	164,871
Total funds carried forward		185,501	27,173	212,674

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
	£	£	£	£	£
Direct costs					
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
Allocated support costs					
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
	£	£	£	£
Cost				
At 1 April 2020	37,960	15,458	6,198	59,616
Additions	-	2,676	216	2,892
Disposals	-	-	-	-
At 31 March 2021	<u>37,960</u>	<u>18,134</u>	<u>6,414</u>	<u>62,508</u>
Depreciation				
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	-	-	-	-
At 31 March 2021	<u>33,098</u>	<u>15,289</u>	<u>2,913</u>	<u>51,300</u>
Net book value				
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

	Unrestricted funds £	Restricted funds £	Total 2021 £
Fixed assets	11,208	-	11,208
Net current assets	234,445	13,867	248,312
	245,653	13,867	259,520

Year ended 31 March 2020

	Unrestricted funds £	Restricted funds £	Total 2021 £
Fixed assets	12,021	-	12,021
Net current assets	173,480	27,173	200,653
	185,501	27,173	212,674

19. Related parties

There have been no transactions incurred with related parties during the period (2020 – none).