



## **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

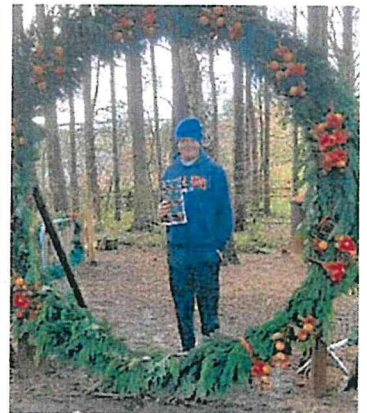
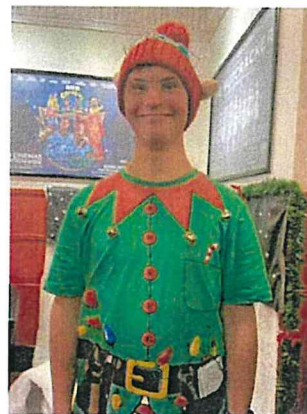
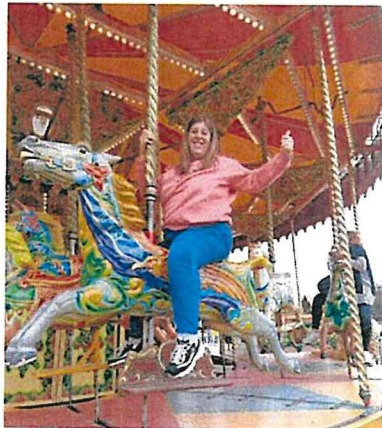
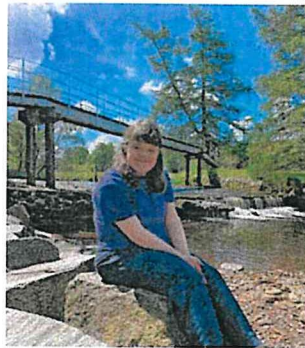
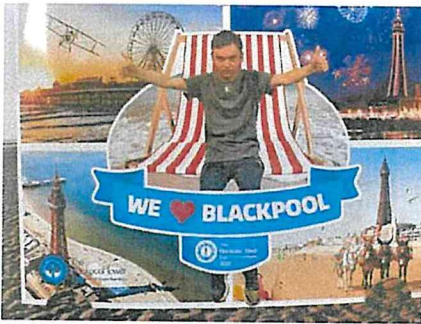
### Report of the Trustees For the year ended 31 March 2023

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

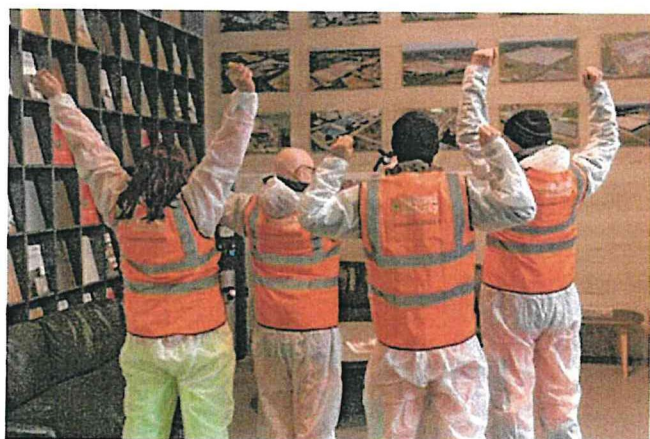
### Report of the Trustees For the year ended 31 March 2023

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.

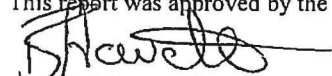
In so far as the trustees are aware:

- 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
		<hr/> 374,568	<hr/> 328,489
<b>Creditors:</b> amounts falling due within one year	13	(64,222)	(53,893)
<b>Net current assets</b>		<hr/> 310,346	<hr/> 274,596
<b>Net assets</b>		<hr/> 338,202	<hr/> 310,213
<b>Charity funds:</b>			
Unrestricted funds	16	335,109	300,604
Restricted funds	17	3,093	9,609
<b>Total</b>		<hr/> 338,202	<hr/> 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)	-
	<u>(51,291)</u>	<u>49,332</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	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	<u>276,025</u>	<u>299,327</u>

# 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
	93,641	13,500	107,141	161,684

### 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	-
	1,235,275	-	1,235,275	1,040,635

# 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
Cost	£	£	£	£
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
	300,604	1,331,505	(1,297,000)	-	335,109

#### 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

#### 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)	-	-
	9,609	13,500	(20,016)	-	3,093

# 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

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

#### Year ended 31 March 2022

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

### 19. Related parties

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