



Trustee's Annual Report & Accounts

2023-2024



Contents

Introduction from our Chair of Trustees and CEO 1

Trustees Report 2

Vision, Mission and Values 2

Current Activities 3

Achievements and Performance 4

Independent Supported Living review 5

Day Farming review 6

Handyperson Service review 8

The Orchard review 9

Towards Independence Enabling review 10

Grants, donations and fundraising 11

Plans for the future 12

Financial review 13

Structure, governance and management 14

Statement of Trustees' Responsibilities 15

Company and charity information 16

Independent Auditor's Report to the Members of Natural Ability 17

Financial Statements 20

Statement of financial activities 20

Balance sheet 21

Cash flow statement 22

Notes to the financial statements 23

Thanks 32



Introduction from our Chair of Trustees and CEO



Bruce Howorth
Chair of Trustees

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

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

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

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

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

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

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

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

The Orchard programme has been thriving, offering a jam-packed schedule tailored to the interests and goals of its attendees. As they worked through their 'My Journey' folders, the programme remained fully participant-led, ensuring that everyone had the opportunity to shape their own experiences. With so much growth, achievement and adventure, this year has truly been one to celebrate. We can't wait to see what the next year brings!



Nicola Crawford
Chief Executive Officer

Our Vision

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

Our Mission

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

Our Values

INDEPENDENCE

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

CARING

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

BESPOKE

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

SAFE

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



CHALLENGE

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

Current Activities

1 Independent Supported Living (ISL)

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

2 Day Services

DAY FARMING

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

HANDYPERSON SERVICE

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

THE ORCHARD

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

3 Towards Independence & Enabling

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



Achievements & Performance



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

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



Independent Supported Living



We now support a total of

15

people to live
independently in their
own homes

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

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



We provided more
than

78,000

hours of support in ISL
over the year

Day Farming

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

Day Farming provided

765

days of services to
attendees during the year



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

Day Farming

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

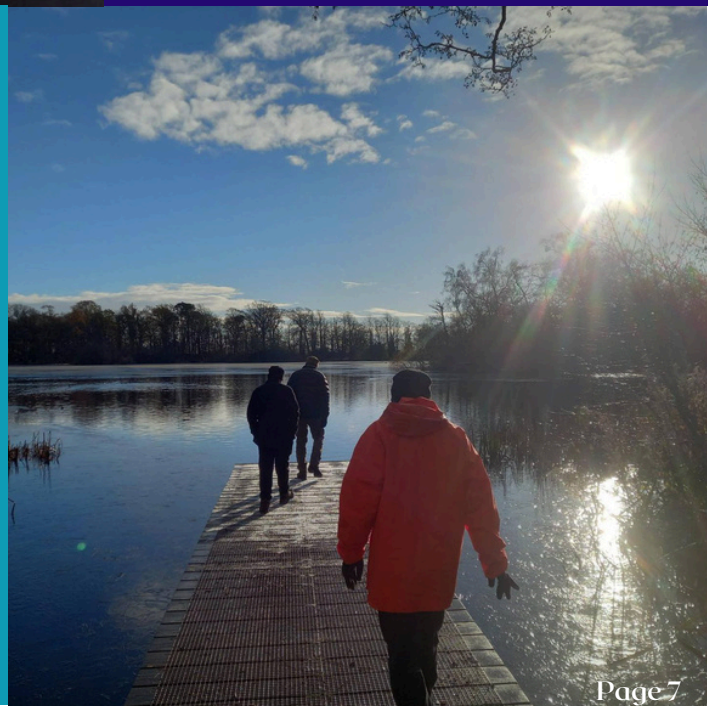


Our walking group walked more than

200

miles during the year

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



Handyperson Service

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



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

"We have a good day, yeah."

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

The Handyperson Service worked more than

392

hours during the year

The Orchard



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

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

“Wonderful
staff.”

“Happy with
everything.”



Towards Independence Enabling

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



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

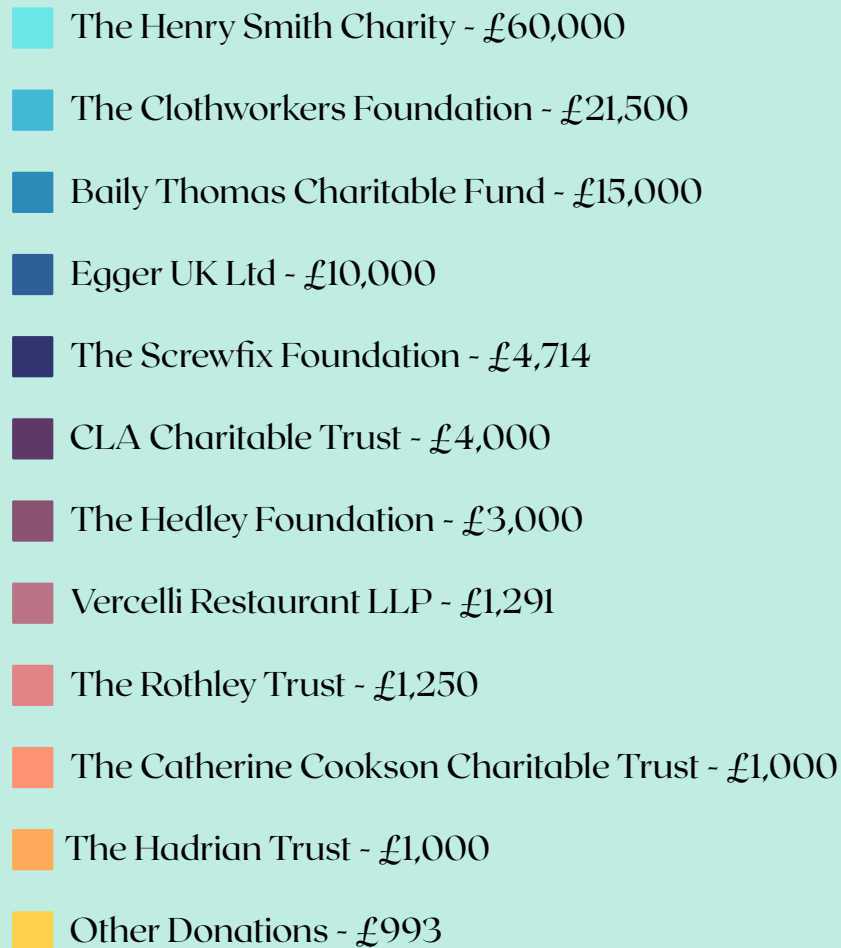


“I find all the people and staff very friendly and approachable.”

Grants, Donations & Fundraising

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

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



Plans for the Future

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



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

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

Financial Review

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

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

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

Reserves Policy

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

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

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

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

Going Concern

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

Public Benefit

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

Structure, Governance & Management

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

Governing document

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

Appointment of Trustees

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

Induction and training of Trustees

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

Organisation

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

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

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

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

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

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

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

Risk Management

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

Safety

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

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

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

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

Statement of Trustees' Responsibilities

The trustees (who are also directors of Natural Ability for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

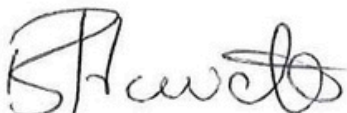
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Small company provisions

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

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

Mr. B. N. Howorth
Chair of Trustees



Company & Charity Information

Trustees

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

Registered Company Number
6959710

Charity Number
1136665

Key Management Personnel

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

Registered Office

West Orchard House
Allendale Road
Hexham
NE46 2DE

Accountants

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

Bankers

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB



Independent Auditors' Report

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

Independent Auditors' Report

Cont.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent Auditors' Report

Cont.

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

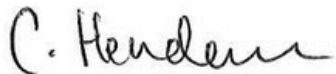
- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

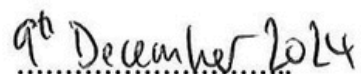
Use of Our Report

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



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

Statutory Auditors



17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Statement of Financial Activities

(including Income and Expenditure Account)

for the year ended 31 March 2024

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

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

Balance Sheet

as at 31 March 2024

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

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

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

Mr. B. N. Howorth
Chair of Trustees



Cash Flow Statement

for the year ended 31 March 2024

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

Notes to the financial statements

for the year ended 31 March 2024

1. Legal status of the charity

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

2. Accounting policies

a) Basis of accounting

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

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

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

b) Going Concern

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

c) Fund accounting – unrestricted and restricted funds

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

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

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

d) Property, plant and equipment

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

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

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

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

Notes to the financial statements

for the year ended 31 March 2024

e) Income recognition

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

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

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

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

f) Deferred income

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

g) Expenditure recognition

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

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

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

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

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

h) Cash at bank

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

i) Debtors

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

j) Creditors and provisions

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

k) Financial instruments

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

l) Pension costs

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

Notes to the financial statements

for the year ended 31 March 2024

3. Comparative Statement of Financial Activities

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

Notes to the financial statements

for the year ended 31 March 2024

4. Grants and donations

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

5. Income from charitable activities

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

6. Other Income

	2024 £	2023 £
Settlement of insurance claim	6,614	0

Notes to the financial statements

for the year ended 31 March 2024

7. Total expenditure

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

8. Net incoming/(outgoing) reserves

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

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

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

The aggregate staff costs were:

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

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

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

Notes to the financial statements

for the year ended 31 March 2024

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

10. Trustees' remuneration and related party transactions

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

11. Tangible fixed assets

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

12. Debtors

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

13. Cash at Bank

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

Notes to the financial statements

for the year ended 31 March 2024

14. Creditors: Amounts falling due within one year

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

15. Commitments under operating lease

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

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

16. Pension

Defined contribution pension schemes

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

17. Unrestricted funds

Year ended 31 March 2024

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

Year ended 31 March 2023

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

Notes to the financial statements

for the year ended 31 March 2024

Designated funds

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

18. Restricted income funds

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

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

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

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

The Hadrian Trust grant was towards our Day Farming service.

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

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

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

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

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

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

Notes to the financial statements

for the year ended 31 March 2024

19. Analysis of funds

Year ended 31 March 2024

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

Year ended 31 March 2023

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

20. Related parties

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

Thanks

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

The Henry Smith Charity
founded in 1628

 **THE CLOTHWORKERS' FOUNDATION**

The Baily Thomas Charitable Fund

CLA

 **EGGER**
MORE FROM WOOD.

SCREWFIX FOUNDATION

The Hedley Foundation
A Grant Giving Charity

The Rothley Trust

HADRIAN TRUST

Catherine Cookson Charitable Trust

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



 **natural ability**

Natural Ability
West Orchard House
Allendale Road
Hexham, NE46 2DE
01434 618149
www.naturalability.org
info@naturalability.org