

ALALA
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

ALALA

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Catherine Vaughan-Games Patricia Sergent Naomi Macdonald
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Charity number	1140248
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Principal address	7 St. Peters Street Brighton United Kingdom BN1 4GR
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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 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)" (effective 1 January 2019).

Objectives and activities

The charity's objectives are:

To promote and protect the mental health of orphaned children and young people, particularly those who have suffered loss and trauma by natural disasters through the provision of therapeutic support and in other ways as the trustees see fit.

The relief of poverty for the public benefit of orphaned children and young people affected by natural disasters

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Activities

The charity's activities are:

Raise funds to pursue the objectives.

Run a charity shop, selling second hand goods.

Collect donations from the local community.

Employ and remunerate staff and volunteers for the proper pursuit of the objectives.

Accept gifts and donations for the purpose of the objectives.

Support an orphanage.

To build sustainable orphanages or incorporate sustainability into existing one.

In planning our activities each year we have regard to both the Charity Commission's general guidance on public benefit and prevention and relief of poverty for the public benefit.

Achievements and performance

Significant activities and achievements against objectives

Financial review

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

Structure, governance and management

The charity is an unincorporated entity which is governed by its constitution, which was adopted on 28 August 2010 and as amended by special resolution on 22 January 2011 and 2 February 2011.

The trustees who served during the year and up to the date of signature of the financial statements were:

Alexandra Poutsma

(Resigned 1 January 2023)

Catherine Vaughan-Games

Patricia Sergent

Naomi Macdonald

Emma Gomez

(Resigned 1 January 2022)

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TRUSTEES' REPORT (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2022*

The trustees' report was approved by the Board of Trustees.

Patricia Sergent
Trustee

17 September 2024

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ALALA

I report to the trustees on my examination of the financial statements of ALALA (the charity) for the year ended 31 December 2022.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Gareth Murfin
FCCA

Dated: 17 September 2024

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from:			
Grants	2	10,352	17,203
Charity shop sales	3	19,553	18,166
Total income		29,905	35,369
Expenditure on:			
Raising funds	4	15,106	1,372
Charitable activities	5	23,663	29,263
Total expenditure		38,769	30,635
Net income/(expenditure) and movement in funds		(8,864)	4,734
Reconciliation of funds:			
Fund balances at 1 January 2022		21,922	17,188
Fund balances at 31 December 2022		13,058	21,922

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

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BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		1,480		1,029
Current assets					
Debtors	10	10,090		6,750	
Cash at bank and in hand		6,088		14,874	
		<u>16,178</u>		<u>21,624</u>	
Creditors: amounts falling due within one year	11	<u>(4,600)</u>		<u>(731)</u>	
Net current assets			11,578		20,893
Total assets less current liabilities			<u>13,058</u>		<u>21,922</u>
Net assets excluding pension liability			13,058		21,922
			<u><u>13,058</u></u>		<u><u>21,922</u></u>
The funds of the charity					
Unrestricted funds			13,058		21,922
			<u>13,058</u>		<u>21,922</u>
			<u><u>13,058</u></u>		<u><u>21,922</u></u>

The financial statements were approved by the trustees on 17 September 2024

Patricia Sergent
Trustee

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

ALALA is an unincorporated charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies**(Continued)****1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% straight line method
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Income from grants

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Donations and gifts	6,552	5,963
General grants	3,800	11,240
	<u>10,352</u>	<u>17,203</u>

3 Income from charitable activities

	Charity shop sales 2022 £	Charity shop sales 2021 £
Sale of goods	17,545	18,166
Performance related grants	2,008	-
	<u>19,553</u>	<u>18,166</u>
Analysis by fund		
Unrestricted funds	<u>19,553</u>	<u>18,166</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Expenditure on raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Fundraising and publicity		
Advertising	593	97
Other fundraising costs	-	932
	<u>593</u>	<u>1,029</u>
Trading costs		
Depreciation and impairment	607	343
	<u>607</u>	<u>343</u>
Investment management	13,906	-
	<u>13,906</u>	<u>-</u>
Total costs	<u>15,106</u>	<u>1,372</u>

5 Expenditure on charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Direct costs		
Rates	473	285
Insurance	383	295
Light & heat	1,297	1,005
Telephone	530	650
Postage	147	1,366
Sundries	754	1,212
Rent	7,158	5,000
Travel	447	77
Computer running costs	369	532
Other donations	-	5,137
Cleaning	117	386
Accountancy	868	732
Bank charges	100	16
Administration costs	10,001	11,736
Entertaining	52	90
Other charitable expenditure	967	744
	<u>23,663</u>	<u>29,263</u>
Analysis by fund		
Unrestricted funds	<u>23,663</u>	<u>29,263</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6	Net movement in funds	2022	2021
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Depreciation of owned tangible fixed assets	607	343
		<u> </u>	<u> </u>
7	Trustees		
	None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.		
8	Taxation		
	The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.		
9	Tangible fixed assets		
			Plant and equipment
			£
	Cost		
	Additions		2,430
			<u> </u>
	At 31 December 2022		2,430
			<u> </u>
	Depreciation and impairment		
	At 1 January 2022		343
	Depreciation charged in the year		607
			<u> </u>
	At 31 December 2022		950
			<u> </u>
	Carrying amount		
	At 31 December 2022		1,480
			<u> </u>
	At 31 December 2021		1,029
			<u> </u>
10	Debtors	2022	2021
		£	£
	Amounts falling due within one year:		
	Other debtors	10,090	6,750
		<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Deferred income	12	3,600	-
Trade creditors		-	60
Accruals and deferred income		1,000	671
		<u>4,600</u>	<u>731</u>

12 Deferred income

	2022 £	2021 £
Other deferred income	<u>3,600</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	<u>3,600</u>	<u>-</u>
Movements in the year:		
Deferred income at 1 January 2022	-	-
Resources deferred in the year	<u>3,600</u>	<u>-</u>
Deferred income at 31 December 2022	<u>3,600</u>	<u>-</u>

13 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2022 £	Incoming resources £	Resources expended £	At 31 December 2022 £
General funds	<u>21,922</u>	<u>29,905</u>	<u>(38,769)</u>	<u>13,058</u>
Previous year:				
	At 1 January 2021 £	Incoming resources £	Resources expended £	At 31 December 2021 £
General funds	<u>17,188</u>	<u>35,369</u>	<u>(30,635)</u>	<u>21,922</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2022*

14 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).