

Charity registration number 1147922

Company registration number 08116295 (England and Wales)

THE ALOUD CHARITY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE ALOUD CHARITY

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THE ALOUD CHARITY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 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 Companies Act 2006 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)".

This year has been an extraordinary year for The Aloud Charity. We, like everyone else in Wales, have continued to be affected by the global pandemic that has made returning to high-risk choral activity difficult in the first 6 months of the year. Alongside this, we have celebrated our 10th anniversary with two gala concerts and an album launch. The organisation has had to be swift in its response to adapt to the changing world, supporting young people back into face-to-face activity following a period of isolation alongside delivering a high level of activity following a period of deferred funding. The lessons we learnt during the first 18 months of the pandemic have come into play during this year, allowing us to be flexible to meet the needs of participants and funders while navigating our way through restrictions. This has also led us to create our new Strategic Plan for 2022-27. This annual report will refer throughout to the impact of the pandemic and the 10th anniversary celebrations of the charity in relation to the charity's financial position and future planning.

Objectives and activities

The Aloud Charity (Aloud) mission is to transform lives together through the power of song. Our vision over the next 5 years is to be the sought after, relevant partner for young people in Wales, providing life changing experiences through the power of group singing.

We want to be a charity that is synonymous with song and making a difference to young people's lives. This might mean different things for different people and will be realised in many different ways. Whether developing the confidence of an individual to apply for college, supporting entry to a career in the creative and cultural industries, giving the opportunity to sing on a world stage, or simply being a place of respite for two hours a week, The Aloud Charity transforms lives. But we don't just do this in weekly sessions. Our performance opportunities take our work to a wider audience and through this we can provide a time of solace, offer spine-tingling experiences or give family and friends something to be proud of. For us, this is about more than just singing, it is about the power of song to connect with people whether as singers, session leaders, writers and composers, or those who experience it in person or online.

Our Strategic Aims:

- Place young people at the heart of everything that we do
- Create the highest quality singing experience
- Deliver Activity that reflects Wales in the 21st century
- Embed our work in communities
- Enrich young people's lives
- Raise the profile of The Aloud Experience
- Build on a sustainable business model
- Root ourselves in the Land of Song

In order to secure these aims, Aloud continues to work on a long-term sustainable strategy that will deliver outstanding work with young people in communities across Wales, underpinned by financial stability, good governance and the highest artistic standards. In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. We believe that the breadth and accessibility of our work will demonstrate without any doubt the public benefit that our work brings to communities across Wales and beyond.

THE ALOUD CHARITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Activity in 2021/22

We were really pleased to be able to resume face-to-face activity during this year. During the first six months of the year, this meant adhering to strict Welsh Government and Public Health Wales guidelines around singing together including social distancing, mask wearing, ventilation and testing. In the latter stages of the financial year, this was relaxed and we returned to activity in its more usual format, able to sing next to each other in the rehearsal room and on stage. This enabled us to record our new album as well as plan and run our 10th anniversary gala concerts in July.

Activities undertaken in 2021/22:

We deliver our aims through two main streams of activity:

1. **Only Boys Aloud**

- Local OBA choirs across Wales for 11-19 year olds
- Only Boys Aloud Academi – a summer residential course for 16-19 year olds

2. **Only Kids Aloud**

- Corws OKA Chorus: a national children's choir for up to 75 8-11 year olds from across Wales
- Aloud in the Classroom: projects delivered in primary schools aimed at developing singing teaching skills and engaging primary age children in singing

Rehearsals, residentials and performances all play a key role in this delivery.

In 2021/22, we expanded our offer to develop **Only Boys Aloud choirs in West Wales**, making us a truly pan-Wales organisation for the first time in the charity's history. We also delivered a pilot project for girls in Cardiff, **Merched Aloud Girls**. This stemmed from an outreach project undertaken in early 2020 with Fitzalan High School, and an acknowledgement that there was a need for this kind of activity to be delivered to supplement our other work.

In addition to this, we delivered a virtual Christmas Concert in December 2021 that included representatives from the different choirs as well as an opportunity for Everyone Aloud to record a combined Christmas song.

Achievements and performance

Our focus in 2021/22 was to resume face-to-face activity, alongside making preparations to celebrate the 10th anniversary of the charity.

During this time, the charity delivered:

- 385 in person Only Boys Aloud Rehearsals and 14 Virtual Rehearsals
- The establishment of 3 new choirs in West Wales and a Girls Choir in Cardiff
- 2 gala concerts with 356 young people on stage and 1,497 in attendance
- 6 virtual meetings of the Only Boys Aloud Youth Forum with 12 participants from across Wales contributing to the development and progression of the organisation
- A residential course for members of Only Boys Aloud Academi who sang in 6 different languages and went on to represent Wales at the Festival Interceltique de Lorient
- An opportunity for 330,000 people to experience the Only Boys Aloud Academi live at the Festival Interceltique de Lorient
- A successful crowdfunding campaign that secured £14,410 to enable the recording of a new album, GEN Z, which has sold 694 copies to date and can be streamed on Spotify and Soundcloud
- A new Communications Strategy and piece of research around Engagement and Inclusion that will help shape our work going forward
- The opportunity for 84 young people and members of the local community to take part in a project with the Port of Milford Haven

THE ALOUD CHARITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

- A 2021 Virtual Christmas Concert, which received 3,912 views
- 8 new music videos on social media, with a total reach of nearly 13,000 views on YouTube
- A new Instagram and TikTok account, attracting 1,633 new followers on social media

"Congratulations to you all on a spectacular concert last night, it was so professional and sounded wonderful. It was truly inspiring to watch and hopefully for all the young people involved as well. The passion and dedication shone from the stage last night." Concert attendee

"I think the main thing that stood out for me is how inclusive it is for everyone. And even though I hated my singing voice (and at times still do) and wasn't very confident about it, it's as if someone is just sat there saying: 'I don't mind how good or bad you sing, just come along to it. Have fun, socialise, and enjoy it', rather than seeing it as a thing you have to be good at to join." OBA member

"In full rehearsals [the choir leader] has high expectations and treats the boys like professional musicians. This has a magical effect on the boys and they grow in confidence, respect, self-respect and self-esteem which then has an impact on their performance." OBA Community Leader

"Even if you've had a terrible day, you come out of OBA with a fresh happiness. You can say to yourself, 'Oh well, I don't know what happened today, but I'm happy now and I can go to sleep and get the rest of my week done!'" OBA member

Staff changes

A new staff structure was approved by the board of Trustees in September 2021. This involved the creation of a senior team, a new Artistic team led by our Creative Director, and a Development Team led by our Development Manager.

Within this structure, was the appointment of a new Bid and Content Writer to support the writing of Trusts and Foundations applications as well as creating content for our online presence and social media accounts.

In addition to this, it has become clear during the year that working with a consultant for our finance and office management is unsustainable, given the growth in financial administration that new programmes of work have brought with them. A new Finance and Operations Manager's post has therefore been created, a role that will come into force in October 2022

Financial review

The longer-term impact of Covid-19, alongside the cost-of-living crisis are the principal risks to the future delivery of the charity's aims and objectives. The Trustees have been, and continue to be, mindful of this. The last two years have seen rapidly changing scenarios, that have had a raft of implications both in terms of financial and non-financial impact. The charity's focus has been to remain flexible and fleet of foot to respond to each new context and challenge, ensuring that our beneficiaries can still engage with us and be impacted positively by our activity.

All Covid-19 related financial support has come to an end during 2021/22 and, while maximum advantage was taken of the support schemes, the lack of ongoing support, combined with the need to spend deferred funding in a short amount of time may have short-term impact on the charity's ability to seek new funding.

THE ALOUD CHARITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The charity has been supported throughout the pandemic by its principal funders, with trusts and foundations showing a great deal of flexibility and understanding of the difficulties faced. Surplus from last year was designated by the Trustees to spend on the development of Merched Aloud Girls, Only Boys Aloud West Wales choirs and a piece of research around Engagement and Inclusion. While these initiatives were successful, the Trustees are mindful that there is no way of knowing whether the fundraising environment will remain as favourable into the next financial year, nor how we will continue to grow without further investment from our own resources.

One of the impacts for the charity of the pandemic has been the postponement for two years of the Arts Council of Wales's Investment Review. This process, due to take place now in 2023, could provide the charity with an opportunity to apply for revenue funding from the Arts Council of Wales to secure some of its core costs for a period of 3 years. However, this is not something that the charity can rely on, and Trustees are encouraging a diversity of thinking and business modelling as the organisation prepares its new Strategic Plan that comes into force in September 2022.

Financial position at year end and Reserves position:

The financial position for the year to 31 August 2022 show a carried forward unrestricted deficit of £6,369. This deficit was expected as we had planned to utilise some of surplus that had been created in 2020/21 as a result of the restrictions put on our activities due to the pandemic.

The level of free reserves at the year end amounted to £131,544 (excluding restricted funds, designated funds and fixed assets). Reserves are needed to secure the long term sustainability of the charity's regular activities. It is the aim of the Trustees to continue to secure and strengthen the charity's position further by building the level of free reserves to achieve a minimum position of 3 months of core expenditure.

Going concern:

After making appropriate enquiries and taking into account the impact of the current economic climate and planned review in February 2023, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans for future periods

A new Strategic Plan has been developed by the charity during this financial year. This was adopted by the board of Trustees in June 2022 and outlines our ambitions for 2022-27.

In order to deliver on its mission, The Aloud Charity is moving into a phase of consolidation and stabilisation. Our focus for the next financial year will be to stabilise our organisational foundations before we grow, consolidating before we build, whilst remaining true to our values of Excellence, Inclusive, Learning and Passion.

In 2022/23 this will mean:

- Growth at a slower pace to make meaningful impact in the lives of young people
- An active recruitment campaign
- The voice of participants being heard and considered
- The nurturing of 11 Boys Choirs each with 20 members or more across Wales; 2 Girls Choirs in South and Mid Wales each with 40 members or more; and a pan-Wales Kids Chorus of over 70 members
- A collaborative approach to developing new projects
- Each choir to make valuable contributions to local communities in response to local need
- Increased work in schools, supporting the work of the new curriculum and National Music Plan under the banner of Aloud in the Classroom
- Looking at opportunities to increase our earned income from our wider work
- Re-consideration of the names of the choirs to support access and inclusion

THE ALOUD CHARITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising for activity continues to intensify as our activity offer stabilises and growth in participation is anticipated across our projects.

Trustees of the charity are very aware that these are challenging times in terms of fundraising but are confident that, for the time being, we are in a relatively stable financial position as described in more detail in the Financial Review section.

Structure, governance and management

The company is constituted under new Articles of Association adopted by special resolution on 31 March 2022 and is a company limited by guarantee and registered charity number 1147922. (The original Memorandum of Association was dated 22 June 2012). These were reviewed in line with the development of our 5-year Strategic Plan during this year.

The management of the company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited through an open process, with positions advertised and applications encouraged from as broad a cross-section as possible to ensure a good spread of skills, knowledge and experience. During 2021/22 two Trustees stepped down due to the pressure of other commitments, with an additional one recently noting their intention to resign for the same reason. A recruitment campaign was undertaken in Spring 2022 following a skills audit of Trustees to recruit three new Trustees to the charity to take up their roles during 2022/23, one of these being an alumnus of Only Boys Aloud. New Trustees will undergo an induction programme in Autumn 2022 to ensure that they are acquainted with all aspects of the organisation including an opportunity to meet key employees. In addition, they will be fully briefed on their legal obligations under charity and company law.

The Board of Trustees has overall responsibility for ensuring that the company has appropriate systems of controls, financial and otherwise. The Chief Executive Officer advises the Board on strategic issues and manages day-to-day operations within the parameters of the Scheme of Delegation. The Chief Executive Officer meets with the chair on a monthly basis, and with the staff team on a fortnightly basis. An informal meeting of staff and Trustees took place in December 2021.

Trustees met 4 times during this year, with a Planning Group established to specifically support the senior team to develop the new Strategic Plan. In compliance with government guidance regarding working practices during the pandemic (and as permitted under the terms of the charity's articles of association) all meetings were held in person, with the option for Trustees to join virtually as required.

The charity's Risk Register forms an annex to the Strategic Plan and is reviewed every six months by Trustees, with the Chief Executive Officer reporting by exception at each board meeting on areas exceeding tolerance. The register was redeveloped during this year and was reviewed at the board meeting in December 2021 and March 2022.

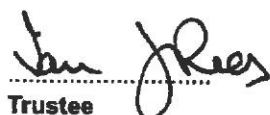
THE ALOUD CHARITY

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

Reference and administrative details

Registered charity number	1147922
Registered company number	08116295
Board of trustees	A S Carlton K A Ali - Resigned 20/6/2022 J Williams D G Pugh E R E Rees - Resigned 29/9/2022 M J Burton A Eagle - Resigned 12/9/2021 F F Jones I Rees J Barry - Appointed 3/1/2023 B Ham - Appointed 3/1/2023
Key management personnel	Carys Wynne-Morgan - Chief Executive Officer Hannah Beadsworth - Development Manager Craig Yates - Creative Director
Registered office	Ty Derw, Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Independent examiners	Azets Audit Services Independent Examiners Ty Derw, Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Bankers	HSBC Bank plc 15 Churchill Way Cardiff CF10 2HD

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


Trustee

Dated: 05-04-2023

THE ALOUD CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE ALOUD CHARITY

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ALOUD CHARITY

I report on the financial statements of the charity for the year ended 31 August 2022, which are set out on pages 9 to 24.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of The Aloud Charity for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of The Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Claire Thompson

Claire Thompson FCCA DChA

Azets Audit Services

Chartered Accountants and Statutory Auditors

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

United Kingdom

Dated: *06-04-2023*

THE ALOUD CHARITY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	105,957	14,447	120,404	55,618	-	55,618
Charitable activities	4	311,237	128,386	439,623	340,131	-	340,131
Other trading activities	5	49,511	-	49,511	854	-	854
Total income		466,705	142,833	609,538	396,603	-	396,603
Expenditure on:							
Charitable activities	6	474,040	117,936	591,976	332,688	387	333,075
Net (outgoing)/incoming resources before transfers		(7,335)	24,897	17,562	63,915	(387)	63,528
Gross transfers between funds		966	(966)	-	-	-	-
Net (expenditure)/income for the year/ Net movement in funds		(6,369)	23,931	17,562	63,915	(387)	63,528
Fund balances at 1 September 2021		178,923	10,993	189,916	115,008	11,380	126,388
Fund balances at 31 August 2022		172,554	34,924	207,478	178,923	10,993	189,916

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE ALOUD CHARITY

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	10		2,274		3,525
Tangible assets	11		5,004		4,480
			<u>7,278</u>		<u>8,005</u>
Current assets					
Debtors	12	51,829		1,029	
Cash at bank and in hand		319,436		340,374	
		<u>371,265</u>		<u>341,403</u>	
Creditors: amounts falling due within one year	13	(171,065)		(159,492)	
Net current assets			200,200		181,911
Total assets less current liabilities			<u>207,478</u>		<u>189,916</u>
Income funds					
Restricted funds	16		34,924		10,993
<u>Unrestricted funds</u>					
Designated funds	17	33,732		33,005	
General unrestricted funds		<u>138,822</u>		<u>145,918</u>	
			172,554		178,923
			<u>207,478</u>		<u>189,916</u>

THE ALOUD CHARITY

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

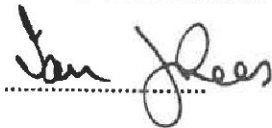
The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 05-04-2023


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Trustee

Company registration number 08116295

THE ALOUD CHARITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations			(18,010)		161,015
Investing activities					
Purchase of tangible fixed assets		(2,928)		(4,627)	
Net cash used in investing activities			(2,928)		(4,627)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(20,938)		156,388
Cash and cash equivalents at beginning of year			340,374		183,985
Cash and cash equivalents at end of year			319,436		340,374

THE ALOUD CHARITY

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

1 Accounting policies

Charity information

The Aloud Charity is a private company limited by guarantee incorporated in England and Wales. The registered office is Ty Derw Lime Tree Court, Cardiff Gate Business Park, Cardiff CF23 8AB.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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)". 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 applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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. 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.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors 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.

1.4 Incoming resources

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.

Sponsorship, earned income and event income is recognised in the period to which it relates.

Sponsorship income and event income received in advance is deferred and released in the financial year to which it relates.

Income from grants, trusts and foundations is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grant income received in advance is deferred and released in the financial year to which it relates.

THE ALOUD CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once 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.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs have been allocated between governance costs and other support. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

1.6 Intangible fixed assets other than goodwill

Intangible assets relate to arrangements which have been valued on a time cost basis. The arrangements are being amortised over their estimated useful life being a period of ten years on a straight line basis.

Arrangements	10% straight line basis
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1.7 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:

Computer and music equipment	33.33% straight line
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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.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible 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).

1.9 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.

THE ALOUD CHARITY

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

1 Accounting policies

(Continued)

1.10 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Taxation

As a registered charity, The Aloud Charity is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

THE ALOUD CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and sponsorship	105,957	14,447	120,404	55,618
	<u>55,618</u>	<u>-</u>		<u>55,618</u>

4 Charitable activities

	2022 £	2021 £
Earned income	50,318	17,550
Grants, trusts and foundations	389,305	322,581
	<u>439,623</u>	<u>340,131</u>
Analysis by fund		
Unrestricted funds	311,237	340,131
Restricted funds	128,386	-
	<u>439,623</u>	<u>340,131</u>

THE ALOUD CHARITY

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

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Merchandise	7,176	854
Sponsorship	42,335	-
	<u>49,511</u>	<u>854</u>
Other trading activities	<u>49,511</u>	<u>854</u>

6 Charitable activities

	2022	2021
	£	£
Staff costs	273,684	220,985
Depreciation	3,655	1,619
Artistic and performance costs	251,855	57,300
	<u>529,194</u>	<u>279,904</u>
Share of support costs (see note7)	60,082	51,521
Share of governance costs (see note7)	2,700	1,650
	<u>591,976</u>	<u>333,075</u>
Analysis by fund		
Unrestricted funds	474,040	332,688
Restricted funds	117,936	387
	<u>591,976</u>	<u>333,075</u>

THE ALOUD CHARITY

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

7	Support costs	Support costs £	Governance costs £	2022 Support costs £	2021 Support costs £	Basis of allocation	2021 £
	Administration and overheads	60,082	-	60,082	51,521	Direct	51,521
	Independent examination fee	-	2,700	2,700	-	Governance	1,650
		60,082	2,700	62,782	51,521		53,171
	Analysed between						
	Charitable activities	60,082	2,700	62,782	51,521		53,171

Governance costs includes payments to the independent examiners of £2,700 (2021: £1,650) for the preparation of the financial statements.

THE ALOUD CHARITY

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

8 Trustees

No trustee received remuneration during the current or prior year.

No trustees were reimbursed for expenses during the current or prior year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Artistic	6	3
Administrative	4	6
	<u>10</u>	<u>9</u>

Employment costs

	2022 £	2021 £
Wages and salaries	248,242	201,788
Social security costs	18,017	13,355
Other pension costs	7,425	5,842
	<u>273,684</u>	<u>220,985</u>

Key management personnel

The key management personnel of the charity which are noted in the Trustees Report received benefits (gross salary, employers national insurance and employers pension contributions) totalling £137,667 (2021: £78,693).

The key personnel have increased from 2 the previous year to 3 for the current year.

Employees earning > £60,000

There were no employees whose annual remuneration was £60,000 or more during the current or prior year.

THE ALOUD CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Intangible fixed assets

	Arrangements £
Cost	
At 1 September 2021 and 31 August 2022	12,500
Amortisation and impairment	
At 1 September 2021	8,975
Amortisation charged for the year	1,251
At 31 August 2022	10,226
Carrying amount	
At 31 August 2022	2,274
At 31 August 2021	3,525

11 Tangible fixed assets

	Computer and music equipment £
Cost	
At 1 September 2021	9,077
Additions	2,928
At 31 August 2022	12,005
Depreciation and impairment	
At 1 September 2021	4,494
Depreciation charged in the year	2,507
At 31 August 2022	7,001
Carrying amount	
At 31 August 2022	5,004
At 31 August 2021	4,480

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	46,597	-
Other debtors	1,700	1,029
Prepayments and accrued income	3,532	-
	51,829	1,029

THE ALOUD CHARITY

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

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		4,270	5,171
Deferred income	14	135,042	138,102
Trade creditors		20,499	7,611
Accruals and deferred income		11,254	8,608
		<u>171,065</u>	<u>159,492</u>

14 Deferred Income

	2022 £	2021 £
Arising from grants	135,042	134,816
Other deferred income	-	3,286
	<u>135,042</u>	<u>138,102</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Balance brought forward	138,102	52,336
Income received	436,562	425,898
Income released	(439,622)	(340,132)
Balance carried forward	<u>135,042</u>	<u>138,102</u>

Deferred income comprises grant, sponsorship and event income which relates to future financial periods.

15 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £7,425 (2021 - £5,842).

There were no amounts outstanding in the current or prior year.

THE ALOUD CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds						
	Balance at 1 September 2020	Resources expended	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022
	£	£	£	£	£	£	£
Only Kids Aloud	11,380	(387)	10,993	75,035	(58,554)	-	27,474
Only Kids Aloud Disney 23	-	-	-	9,530	(8,700)	-	830
Academi	-	-	-	43,821	(37,201)	-	6,620
Crowdfunder: Album 2022	-	-	-	14,447	(13,481)	(966)	-
	<u>11,380</u>	<u>(387)</u>	<u>10,993</u>	<u>142,833</u>	<u>(117,936)</u>	<u>(966)</u>	<u>34,924</u>

Only Kids Aloud: A pan-Wales choral initiative in partnership with the Hodge Foundation. The Hodge Foundation provided £45,000 of funding in the year with parents providing the the additional funding required.

Only Kids Aloud Disney 23: The funding is from parents contributions to the trip to Disney in 2023.

Academi: The funding included £25,000 from Mosawi, £6,500 from Festival Interceltique de Loreint, £12,300 academi fees from members with balance being made up of sales of merchandise

Crowdfunder: Album 2022: The cost of producing a CD was funding by Crowdfunding.

THE ALOUD CHARITY

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

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Transfers	Balance at 1 September 2021	Transfers	Balance at 31 August 2022
	£	£	£	£
The Aloud Girl's Choir	10,000	10,000	-	10,000
Only Boys Aloud West	10,000	10,000	-	10,000
Brand and Identity Work	5,000	5,000	-	5,000
Intangible and Tangible Fixed Assets	8,005	8,005	727	8,732
	<u>33,005</u>	<u>33,005</u>	<u>727</u>	<u>33,732</u>

The Aloud Girl's Choir

Funds designated to allow us to commit to a program for the Girls' choir for the whole academic year and not just the pilot period.

Only Boys Aloud West

Funds designated to allow us to commit to a program for the OBA West choirs for the whole academic year and not just the pilot period.

Brand and Identity Work

Funds designated to commence a project around our brand with focus on increasing diversity and accessibility.

Intangible and Tangible Fixed Assets

Fund designated in relation to the net book value of the charity's unrestricted intangible and tangible fixed assets.

18 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Intangible fixed assets	2,274	-	2,274	-	-	3,525
Tangible assets	5,004	-	5,004	-	-	4,480
Current assets/(liabilities)	165,276	34,924	200,200	145,918	10,993	181,911
	<u>172,554</u>	<u>34,924</u>	<u>207,478</u>	<u>145,918</u>	<u>10,993</u>	<u>189,916</u>

THE ALOUD CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named in the report. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

20 Related party transactions

During the year 2 (2021: 7) trustees donated a total of £569 to the charity (2021: £2,115). There were no amounts outstanding at the year end (2021: £nil).