

REGISTERED COMPANY NUMBER: 10404912 (England and Wales)
REGISTERED CHARITY NUMBER: 1169511

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
OAK TREE ANIMALS' CHARITY**

RFM Lancaster
39 Northgate
White Lund
Morecambe
Lancashire
LA3 3PA

OAK TREE ANIMALS' CHARITY
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FOR THE YEAR ENDED 31 DECEMBER 2018

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OAK TREE ANIMALS' CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

10404912 (England and Wales)

Registered Charity number

1169511

Scottish Charity number SC048389

Registered Office

Oak Tree Animal's Charity

Oak Tree Farm

Wetheral Shields

Carlisle

Cumbria

CA4 8JA

Trustees

Mr P T Armer FCMA, CGMA

Ms R L Griffiths

Mr D Jordan

Ms R Shields - resigned 31/07/18

Ms A Winterburn - resigned 02/08/18

Mr M B Squires MRCVS

Mrs P J Skinner - appointed 08/10/18

Mrs A S Starr - appointed 08/10/18

Independent auditor

Mr Adam Calvert, ACA

Rushtons Chartered Accountants and Business Advisers

Shorrock House

1 Faraday Court

Fulwood

Preston

PR2 9NB

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

OAK TREE ANIMALS' CHARITY
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Oak Tree Animals' Charity for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

The Audit Report has been qualified with limitation of scope as the valuation of the land and buildings recorded at £3,062,342 is now over 30 years old and requires updating. The Trustees believe that this historical value is likely to be less than an up to date professional valuation. The Trustees have resolved to undertake a professional re-valuation of the Charity's land and buildings in the next financial year.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

AUDITORS

The auditors, Rushtons Chartered Accountants & Business Advisers, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 5 September 2019 and signed on its behalf by:

Ms R L Griffiths - Trustee



Trustees' report year ended 31st December 2018

Welcome to the Annual Report and Financial Statements of Oak Tree Animals' Charity.

We are a local Charity serving the needs of our community and working in a way that has allowed us to respond to the individual needs of 1,711 animals throughout the year covered by this report. In 2019 we enter our 110th Year as a Charity and as an organisation our sustainability is paramount to ensure we are here to support generations of animals to come. In 2018 we have focussed on our business development, creating fundraising and trading strategies to secure a sustainable future. We have diversified our funding streams, including opening our first Charity Shop, which also serves as our Community Hub enabling more people to access our services. We continue to ensure that every penny is spent in a way that best helps the animals we care for and we meet our Charitable Objectives to the best of our ability. The Financial Statements within this report continue to reflect the significant positive impact our strategy has made towards this.

The annual report of the Board of Trustees provides us with the chance to share the successes and challenges faced by the Charity in 2018. It is also an opportunity to present the plans for 2019 and beyond.

In 2018, we have been able to help more than double the number of animals than in 2017 through our community and rehoming programmes. Our expert teams continue to develop their skills and knowledge in line with the developing nature of the welfare field. They work hard to offer a proactive, non-judgemental approach to animal welfare, supporting animals throughout our region, acting in an evidence-based manner to gain the right results for animals and owners.

2018 marked a huge turning point in the sustainability of our Charity as the work of our fundraising, tea room, shop and management teams has collectively resulted in significant improvement in our financial situation. The details of this are shown later on in this report and follow many years of challenge.

Our Charity benefits greatly from our dedicated and valued supporters who so generously donate to support our work. These amazing people make the difference to so many animal lives and as a Charity, we need to value, celebrate and grow this network of people. Thank you for everything you do.



Key highlights of the year include:

- 🐾 Gaining funding to develop our 'Helping Paw' foster programme to support those who are homeless or fleeing domestic violence
- 🐾 Opening our first ever Charity Shop in Carlisle
- 🐾 Developing our cat garden to provide outdoor enrichment for our feline residents
- 🐾 Appointing our first dedicated Education Officer to develop a range of engaging activities to help improve animal welfare in our region
- 🐾 Creating of the snuffle run in Blackburn Wood, to provide an off lead space for dogs in a woodland environment
- 🐾 Securing funding for our equine intake area enabling us to meet the demand for our services within our equine community
- 🐾 Introducing a games based training approach for our dogs which enables us to prepare them and their new owners for real life in their new homes

We were delighted when Lauren Langman, member of the UK dog agility squad and owner of Absolute Dogs and Devon Dogs visited us stating "One of the most amazing rescue centres I have ever been to."

Our vision is a world where understanding and empathy ensure that all animals are treated with kindness and respect.

Our mission is to help companion animals in need; finding them a safe and comfortable home and helping the community to understand their needs, through support and education.

Our Values

- 🐾 We are proud to be non-judgemental and compassionate in our approach to animals and the people who care for them
- 🐾 We are forward-thinking and value our work with partner organisations to find effective and informed approaches to animal welfare
- 🐾 We aim to find the right home for the animals in our care, providing ongoing support and advice to ensure life-long partnerships

Financial Review

The key financial facts for year ended 31st December 2018 are: income: £810,449, expenditure: £821,753, with the difference between income and expenditure being a small deficit of £(11,304). Total unrestricted reserves at the end of 2018 were £3,973,571, with £831,770 being accessible reserves, and the remainder being tangible fixed assets, primarily our land and buildings.

The Audit Report has been qualified with limitation of scope as the valuation of the land and buildings recorded at £3,062,342 is now over 30 years old and requires updating. The Trustees believe that this historical value is likely to be less than an up to date professional valuation. The Trustees have resolved to undertake a professional re-valuation of the Charity's land and buildings in the next financial year.

By comparison, the first period results of the new Company (20th November 2016 to 31st December 2017) showed income of £619,960, and expenditure of £845,489, producing a deficit for the period of £(225,529). Total unrestricted funds at the end of 2017 were £3,984,875, with accessible reserves of £776,049, the remainder being tangible fixed assets, primarily our land and buildings.

The Charity owes a significant amount of gratitude to our supporters for their continued support of our work which ultimately benefits the animals in our care and within our community. We would like to thank the Ostachinni Family Charitable Trust, Mars Petcare, Elise Pilkington Charitable Trust, Tesco Bags of Help and the Co-Op Community Fund among many others for their generous support this year which has allowed us to achieve so much.

Achievements and Performance

Animal Welfare

Animal welfare is the heart of our charity. In 2018, through improved rehoming practices our small animal average length of stay was 39.87 days for cats and 38.92 days for dogs. This combined with the continued development of Open Paw and the introduction of games based training has seen a significant improvement in the welfare of our onsite animals. We are pleased to note that with the introduction of compulsory microchipping in 2016 we have seen an increase in the number of dogs being relinquished to us (68%) that are microchipped. However, many of the microchips were found to be unregistered or with inaccurate owner details, highlighting a need to develop our advocacy in this area. In contrast to dogs, only 16% of cats admitted had been microchipped.



Due to her owner's ill health, Rosie, a cat the charity had adopted out 12 years ago, found herself back at OTAC in February of this year. Rosie was by then, 15 years young. At her intake check, due to her behaviour, it was suspected she might have the condition hyperthyroidism, a fairly common condition in older cats. A blood sample was taken and confirmed this. Medication was started and the condition was quickly under control. Rosie needed a special urinary diet as well.

Rosie proved herself to be a sweet, friendly and loving cat who still had her mad half hour of play and fun on a regular basis. She was a favourite with the team and volunteers alike. New families could potentially see past her medical issues, as they were easy to manage, but Rosie's age really did work against her.

Then finally, in June, a couple who specifically wanted to adopt an older cat decided Rosie was the one for them. Rosie is now enjoying the sun in her very own garden.

Thanks to grant funding we were able to build a snuffle run in Blackburn Woods. This area can be used by resident dogs and members of our community who need an off-lead exercise space. We have secured funding to develop our equine intake and sand school areas to bring us up to the professional standards required by our membership of the National Equine Welfare Council, (NEWC).

We have developed our partner relationships with NEWC and Association of Dogs and Cats Homes (ADCH), with staff visiting facilities and attending training sessions at RSPCA Centres, Battersea Dogs and Cats Home, Wood Green the Animals Charity, Newcastle Dogs and Cats Shelter amongst others. Two members of staff also completed the Blue Cross Pet Bereavement Course for Professionals. Two other staff members qualified as Pro-Dog Trainers and all staff had the opportunity to attend training courses to gain best practice skills. Education is key to our success and our Pony Fundays were well attended and enabled young people to learn about equine welfare and husbandry.

Our Community

Our community work responds to the needs of our local area and focusses our assistance on those that need it most, providing an accessible and approachable service.

Oak Tree has established many partnerships including with Carlisle Foodbank, Opshops and Riverside Housing to support pet owners in financial hardship with preventative care advice, neutering support and appropriate nutrition for their pet. Helping to keep pets and owners together prevents the distress caused by avoidable relinquishment for both pet and owner.

Our portfolio of our Community work is broad, including activities such as Trap Neuter Return for feral cat colonies, behaviour and training advice, community neutering programmes, providing short term essential pet supplies for struggling pet owners and pet MOTs. In 2018 the team worked with and rehabilitated 74 animals involved in local animal hoarding cases. Our team also responded to some deliberate cruelty cases including where a kitten was thrown from a car and an older cat who had been shot with an air rifle. Both received the veterinary attention they needed and were happily rehomed.



Bear came to Oak Tree with three other dogs when his owner could no longer care for them. Bear's coat was matted and smelly so after a pamper session at The Groom Room he was ready to start his behaviour training.

During his 7-month stay with us, Bear learnt many new things including practising calm behaviour, which eventually helped him find his new home.

Since leaving Oak Tree in June Bear has exceeded expectations. His new owners have taught him recall so that he can enjoy time off lead and, being a well-mannered boy, he now approaches dogs properly so is even making canine friends.

Some of Bear's recent adventures include trips to the seaside and Lake District where he has even learnt to swim. We are so proud of Bear and look forward to hearing from him again soon.



The Community Team was contacted by a gentleman looking for support feeding his cat. His cat was 19 years old and he'd had her from a kitten. He had recently been a victim of crime and, through no fault of his own, found himself out of work. He was understandably desperate to keep his companion cat and not have to rehome her but he could no longer afford to feed her whilst he was looking for work.

Oak Tree was able to support the gentleman with cat food and litter until he got back on his feet. This was best for the cat too, as to uproot and relocate such an elderly cat would have been incredibly stressful for her, not to mention of huge detriment to the owner's mental health.

If we can help keep animals with good responsible owners who have fallen on hard times with short-term, temporary help, we will, whilst providing follow up support where needed.



Our Community Team continues their Trap-Neuter-Return (TNR) programme and helped 181 feral cats in 2018.

This pro-active approach allowed us to prevent the birth of unwanted kittens, maintain the health of the cat colony and eventually aims to reduce the number of unwanted kittens coming into shelters for rehoming.

We would like to thank our partners at Cats Protection and Dogs' Trust for their continued support for our community neutering programme.

We continue our partnership with British Hen Welfare Trust, acting as a collection point for the rehoming of ex-commercial laying hens. In 2018 we were able to help rehome 118 hens.

Becky our Community Supervisor trapping cats for neutering, flu vaccines and a health check as part of our TNR programme in Ullswater.

Our Corporate Partners

We greatly appreciate the support of our corporate partners who offer us support, advice and much valued practical and financial help throughout the year. Particular thanks go to: our vet partners; Dynamic IT; World Group; Pets at Home; Kierweb; ASDA; Morrison's; Cartmell Shepherd; RWL Roofing; AJT Electrical; Bruce and Lukes Coffee; Lakes Gin Tin; Groom Room Penrith; Lanercost Tearoom; Paws to Rest; Protectapet; Newton Rigg; Jelf; FMGS Solicitors; Carlisle Fire Protection. We thank all our corporate partners for their continued support.



Our supporters

Our supporters have continued to amaze us this year with their generosity and their willingness to get involved to support the animals in our region.

From taking part in our onsite events, running a marathon, organising a garage sale to holding a dog's Birthday Party we really appreciate these wonderful efforts to help the animals in our region.

Our lottery and animal sponsorship programmes continue to develop and we thank all our regular supporters for their kindness.

Our Volunteers

Our volunteers play a vital role in our Charity allowing us to reach hundreds more animals each year.

Essential to every part of our Charity, these volunteers help in so many ways including directly with the animals, in the tearoom, in the charity shop, carrying out administrative tasks and of course our Board of Trustees. We have continued to recruit many new volunteers to our team and this has allowed us to develop our work. We are so grateful to our 106 volunteers for their commitment and hard work across the whole year.



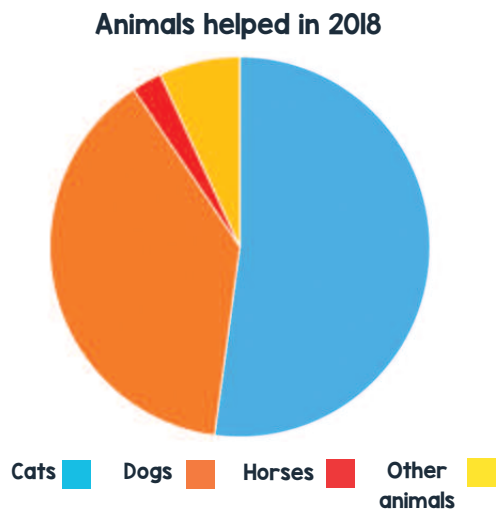
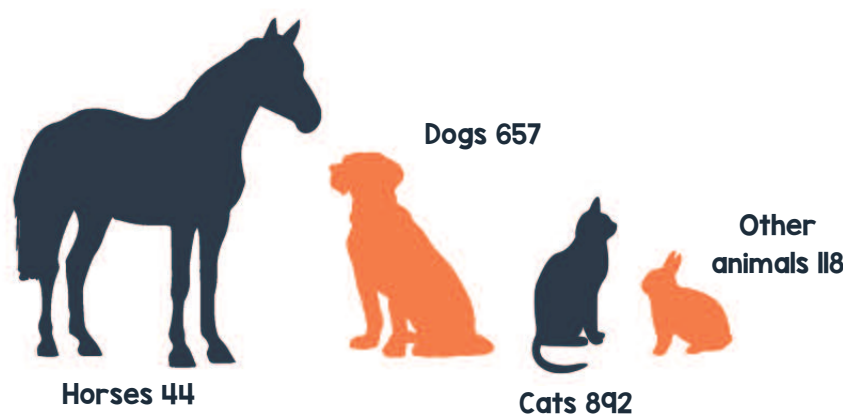
Tammy and Johnnie, two Shetland ponies, were recently rehomed with a family who asked for additional support from the team having had little previous knowledge of keeping ponies in the past. The family wanted to share a few words about their experience:

"The Oak Tree equine team were incredibly supportive throughout the whole process, and the support has carried on even after the ponies have left the Charity.

Rehoming the ponies is such a rewarding feeling and we feel extremely lucky to have the two new residents on our farm in the Borrowdale valley.

The ponies are loving life in their new home on the lower fells. The Oak Tree team have helped to make a lifelong dream come true, and we can't thank them enough".

Animals helped 2018 - 1,1711



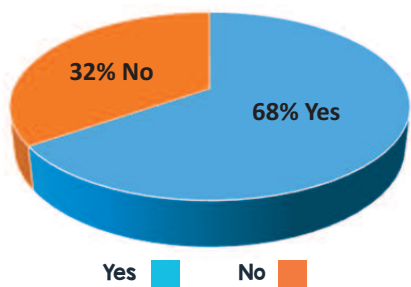
Animals helped by species

Dogs	Cats	Equines	Others
38%	52%	3%	7%

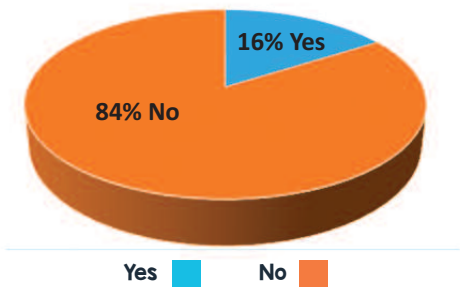
This year, following legislation changes, we recorded additional information in relation to microchip data on arrival.

Only 16% of cats and 68% of dogs were microchipped on arrival, indicating that there is still significant work to be done to promote the benefits of microchipping both species, especially cats in our region.

Microchipped On Arrival - Dogs

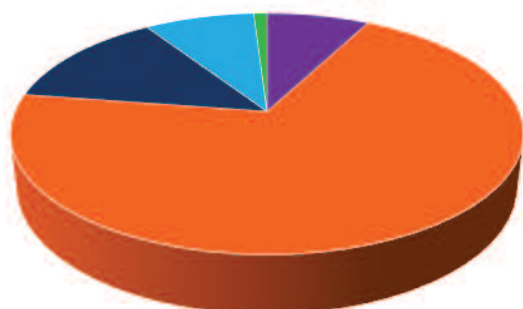


Microchipped On Arrival - Cats





2018 Income by Type



■ Donations ■ Legacy ■ Grants ■ Trading ■ Other

Income Type	Percentage
Donations	8%
Legacy	70%
Grants	13%
Trading	8%
Other Fundraising	1%

Looking to the future

- 🐾 Building our equine intake area and sandschool
- 🐾 Ensuring our onsite animals continue to receive a high standard of care and enrichment, for example building our dog sensory garden for our resident canines
- 🐾 Improving our intake procedures by reducing the stress for each animal and client, through the development of our intake area and continuing to improve our fuss-free, kind and efficient procedures
- 🐾 Create a Consultancy Team to address the numerous dog training and behaviour issues we see on a daily basis which with, timely intervention, will reduce the potential for relinquishment
- 🐾 As part of our 110th Year and to celebrate our heritage to seek out new ways of using our rich archive to encourage thought and improve animal welfare in our region
- 🐾 To implement our "Helping Paw" project to support those with pets who are homeless or fleeing domestic violence
- 🐾 To work alongside housing associations and private landlords to improve access to pet friendly accommodation for tenants who are currently left with no option but to relinquish their much loved pet
- 🐾 To continue to improve our work and presence in Keswick with the introduction of a Charity Shop/Community Hub

Reserves Policy

Each year the Board of Trustees reviews the reserves of the Charity. They look at income and expenditure and the value of reserves. Currently, the Charity's unrestricted reserves are £3,973,571, with £831,770 being accessible reserves, the remainder being tangible assets, including our site at Oak Tree Farm.

Investment Policy

Under the constitution and rules of the Charity, the Board of Trustees has the power to make any investments as deemed fit, mindful that any such investment should be of an ethical nature and true to the objectives of the Charity.



Indemnity Insurance

Through powers granted by the Charities Act, the Charity has purchased insurance for employees and members of the Board of Trustees during 2018. The purchase was necessary to indemnify them against liabilities arising in the course of the performance of their duties provided that such liability does not arise from fraud, wrong doing, wilful neglect or default on behalf of the Board and the Charity's employees.

The Trustees

The Trustees who served the Charity during 2018 are shown on page 1 of this document.

Reference and Administrative details

Reference and administrative details are shown in the Schedule of the Members of the Board of Trustees 2018 and the Charity's professional advisers on pages 1 and 2 of the Financial statements. The Charity was registered under the name Oak Tree Animals' Charity from the 1st October 2016 and previously registered as the National Equine (and Smaller Animals) Defence League including The Animals' Refuge, Horse Protection Society, Pit Pony League and the Anti-Bearing Rein Association.

Structure, Governance and Management

Governing document

The Charity is a charitable company limited by guarantee, incorporated on 1st October 2016. The Articles of Association set out the Charity's objects and powers and is its governing document.

Organisational Structure

The Charity is managed and administered by a supervisory Board of Trustees elected in accordance with the Articles of Association. The number of Trustees shall be not less than 3 and not more than 11 (unless otherwise determined by resolution in a general meeting).

All Trustees have to stand for re-election at the end of their first year, after which the elected members are subject to fixed-term appointments and election or re-election according to the procedures set out in the governing document. Decisions are made on a majority vote with each Trustee having one vote on each issue. In the case of a tied vote the Chairman has an additional casting vote.

The Charity has a wholly owned subsidiary trading company, OTAC Trading Ltd, to promote hospitality, retail and events from Oak Tree Farm and other Charity properties. All profits from the trading company are donated to the Charity.

Appointment of Trustees

There is an active Trustee recruitment policy identifying and filling Trustee positions and candidates based on experience and skills needed by the Charity.

Other advisors

In furtherance of the Charity's duty of care to the animals in its keeping, The Board of Trustees has appointed Eden Veterinary Centre, Paragon Veterinary Group, Border Vets and The Green Veterinary Surgery to advise on all veterinary matters and to implement medical and/or surgical treatment or arrange referral as appropriate.

The Board of Trustees also recommended to its members of the charity at the AGM, its nomination of a firm of Chartered Accountants to act as Auditor for the ensuing period until incorporation.

Additionally, the Board under the powers granted to it has appointed the Cumberland Building Society and Natwest as its operating banks for day to day transactions and Brewin Dolphin Ltd to manage the Charity's investment portfolio. The Board has also appointed Strutt & Co as Solicitors to the Charity.

Risk Assessment

The Trustees have assessed the major risks to which the Charity is exposed and have introduced systems and procedures to manage and minimise them.

Objectives and Activities

The Charity's objectives are:

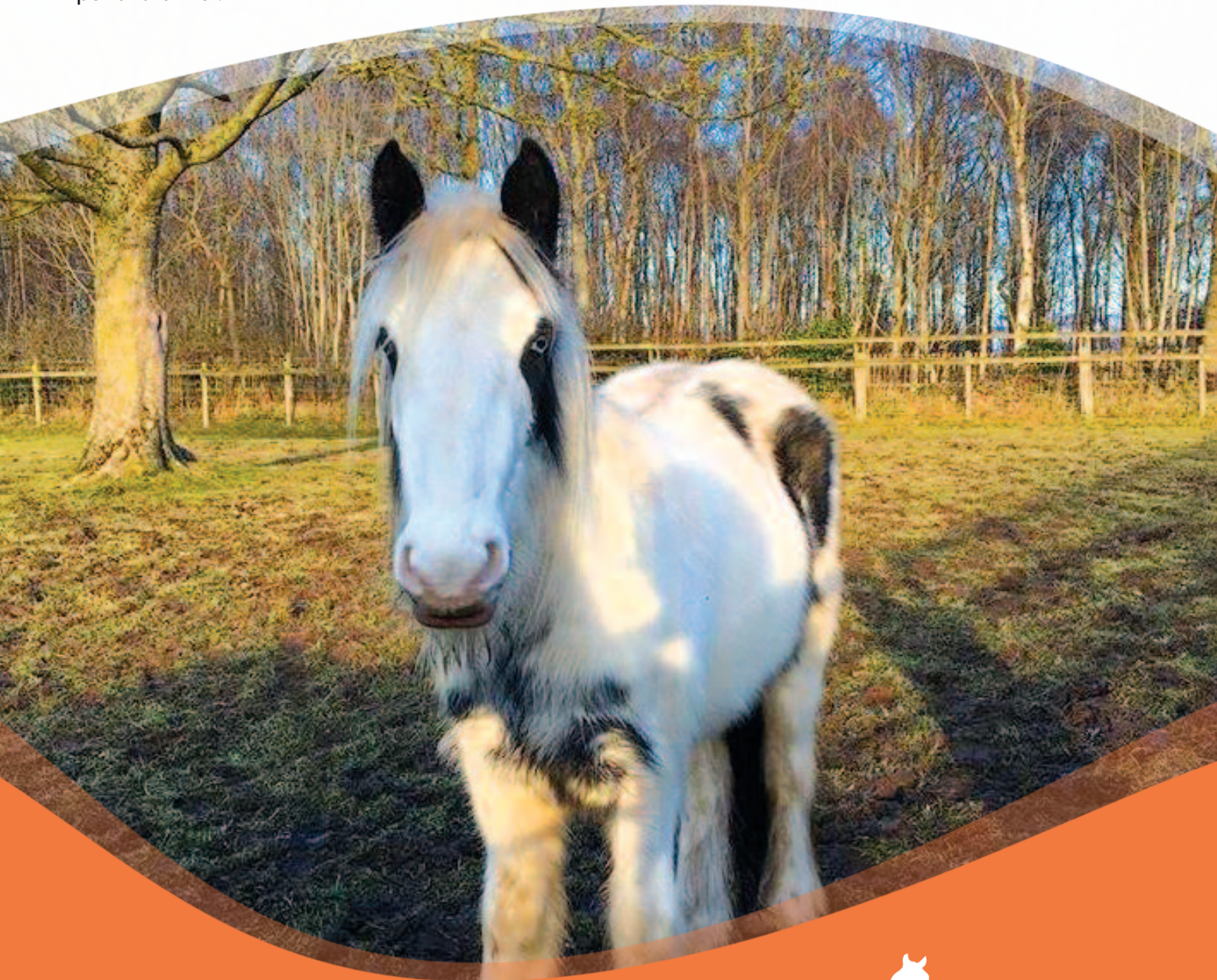
To promote humane behaviour towards animals by providing appropriate care, protection, treatment and security for animals which are in need of care and attention by reason of sickness, maltreatment poor circumstances, in particular but not exclusively by assessing, rehabilitating and rehoming such animals and to educate the public in matters pertaining to animal welfare in general and the prevention of cruelty and suffering among animals.

Public Benefit

The Board of Trustees has considered the guidance produced by the Charity Commission on the provision of public benefit and confirms that public benefit is provided by the Charity's activities. The Charity operates the Oak Tree Farm, a temporary haven for animals while a new home is sought for them as well as a long-term home for retired animals. The Charity provides advice and support to pet owners and gives peace of mind when an animal has to be taken into care because the owner is no longer able to keep it. The Charity operates a free education service on animal welfare issues to schools, nurseries, further education establishments and community groups.

2019 - Moving Forward

During 2019, we plan to continue to move forward as a Charity continuing to be proactively improving animal welfare through our community and support work, helping animals find loving new homes and ensuring a sustainable future for Oak Tree. This will ensure we are able to make a tangible difference to animal welfare in our region and provide excellent animal welfare services. Working with owners in a multi-agency approach, if appropriate, will help us to ensure they are equipped to make good pet choices and have the support they need to provide and maintain an excellent relationship for both pet and owner.



www.oaktreeanimals.org.uk

01228 560082

info@oaktreeanimals.org.uk



Oak Tree Animals' Charity

Oak Tree Farm, Wetheral Shields, Carlisle, CA4 8JA

Registered Charity Numbers 1169511 / SC048389

OAK TREE ANIMALS' CHARITY

REPORT OF THE INDEPENDENT AUDITORS

Qualified Opinion

We have audited the financial statements of Oak Tree Animals' Charity (the 'charity') for the year ended 31 December 2018 which comprise the Statement of Financial Activities and the Balance Sheet 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for qualified opinion

On review of the fixed asset register, we noted that the charity has owned various land and buildings for several decades. No recent independent valuation of this land and building has taken place that would provide audit evidence for its valuation. We understand that the Trustees intend to instruct an independent valuer in the near future to address this issue.

However, for the purposes of this audit we have been unable to satisfy ourselves concerning the valuation of these fixed assets at 31 December 2018, which are included in the balance sheet at £3,062,342, by using other audit procedures.

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 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 qualified opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Except for the matter described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our report.

OAK TREE ANIMALS' CHARITY

REPORT OF THE INDEPENDENT AUDITORS

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the fixed asset valuation for land and buildings of £3,062,342 held at 31 December 2018. We have concluded that where the other information refers to the fixed asset balance, it may be materially misstated for the same reason

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the trustees.

Arising solely from the limitation on the scope of our work relating to fixed assets, referred to above:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether adequate accounting records have been kept.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

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 Report of the Independent Auditors.

OAK TREE ANIMALS' CHARITY

REPORT OF THE INDEPENDENT AUDITORS

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Rushtons Chartered Accountants & Business Advisers
Statutory Auditor
Shorrock House
1 Faraday Court
Fulwood
Preston
Lancashire
PR2 9NB

Date:

OAK TREE ANIMALS' CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

				Year Ended 31/12/18 Total funds £	Period 20/11/16 to 31/12/17 Total funds £
	Notes	Unrestricted fund £	Restricted fund £		
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	749,995	-	749,995	498,797
Activities for generating funds	3	86,907	-	86,907	32,525
Other incoming resources		<u>(26,453)</u>	-	<u>(26,453)</u>	<u>88,638</u>
Total incoming resources		810,449	-	810,449	619,960
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	4	83,913	-	83,913	83,703
Investment management costs		6,789	-	6,789	6,822
Other resources expended		<u>731,051</u>	-	<u>731,051</u>	<u>754,964</u>
Total resources expended		<u>821,753</u>	-	<u>821,753</u>	<u>845,489</u>
NET INCOMING/(OUTGOING) RESOURCES		(11,304)	-	(11,304)	(225,529)
RECONCILIATION OF FUNDS					
Total funds brought forward		3,984,875	-	3,984,875	4,210,404
TOTAL FUNDS CARRIED FORWARD		<u><u>3,973,571</u></u>	<u><u>-</u></u>	<u><u>3,973,571</u></u>	<u><u>3,984,875</u></u>

The notes form part of these financial statements

OAK TREE ANIMALS' CHARITY

BALANCE SHEET AT 31 DECEMBER 2018

	Notes	Unrestricted fund £	Restricted fund £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	9	3,141,801	-	3,141,801	3,208,826
Investments					
Investments	10	186,438	-	186,438	260,897
Programme related investments	11	<u>427,109</u>	<u>-</u>	<u>427,109</u>	<u>495,559</u>
		3,755,348	-	3,755,348	3,965,282
CURRENT ASSETS					
Stocks		11,052	-	11,052	7,866
Debtors	12	39,874	-	39,874	33,546
Cash at bank and in hand		<u>216,732</u>	<u>37,445</u>	<u>254,177</u>	<u>87,079</u>
		267,658	37,445	305,103	128,491
CREDITORS					
Amounts falling due within one year	13	(49,435)	(37,445)	(86,880)	(108,898)
NET CURRENT ASSETS		<u>218,223</u>	<u>-</u>	<u>218,223</u>	<u>19,593</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,973,571</u>	<u>-</u>	<u>3,973,571</u>	<u>3,984,875</u>
NET ASSETS		<u><u>3,973,571</u></u>	<u><u>-</u></u>	<u><u>3,973,571</u></u>	<u><u>3,984,875</u></u>
FUNDS	14				
Unrestricted funds				<u>3,973,571</u>	<u>3,984,875</u>
TOTAL FUNDS				<u><u>3,973,571</u></u>	<u><u>3,984,875</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 5 September 2019 and were signed on its behalf by:

Ms R L Griffiths -Trustee

The notes form part of these financial statements

OAK TREE ANIMALS' CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

INCOMING RESOURCES

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

ALLOCATION AND APPORTIONMENT OF COSTS

TANGIBLE FIXED ASSETS

Motor Vehicles - 25% reducing balance
Fixtures, fittings & equipment - 15% reducing balance
Computer equipment - 3 years straight line
Freehold property - 2% reducing balance
Leasehold property - 2% reducing balance
Plant and machinery - 15% reducing balance

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

TAXATION

The charity is exempt from corporation tax on its charitable activities.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

OAK TREE ANIMALS' CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

2. VOLUNTARY INCOME

	Year Ended 31/12/18 £	Period 20/11/16 to 31/12/17 £
Donations	53,421	65,236
Appeal Donations	4,463	6,736
Gift aid	5,362	3,735
Legacies	522,407	358,658
Grants	100,175	30,880
Gift from OTAC Trading Ltd	62,066	32,741
Other Income	<u>2,101</u>	<u>811</u>
	<u>749,995</u>	<u>498,797</u>

Grants received, included in the above, are as follows:

	Year Ended 31/12/18 £	Period 20/11/16 to 31/12/17 £
Various Grants 2018 & b/f unexpired grants 2017	100,175	-
Other grants	<u>-</u>	<u>30,880</u>
	<u>100,175</u>	<u>30,880</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Year Ended 31/12/18 £	Period 20/11/16 to 31/12/17 £
Fundraising events	17,991	30,178
Animal Sponsorship	1,931	1,631
Lottery Income	908	716
Exceptional items	<u>66,077</u>	<u>-</u>
	<u>86,907</u>	<u>32,525</u>

4. COSTS OF GENERATING VOLUNTARY INCOME

	Year Ended 31/12/18 £	Period 20/11/16 to 31/12/17 £
Stock purchase	1,673	6,700
Direct costs	<u>82,240</u>	<u>77,003</u>
	<u>83,913</u>	<u>83,703</u>

OAK TREE ANIMALS' CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

5. SUPPORT COSTS

	Management £	Finance £	Information technology £	Human resources £
Investment management costs	-	6,789	-	-
Other resources expended	<u>77,377</u>	<u>1,271</u>	<u>9,160</u>	<u>486,487</u>
	<u>77,377</u>	<u>8,060</u>	<u>9,160</u>	<u>486,487</u>

	Misc expenses £	Travel & vehicle expenses £	Depreciatio n £	Totals £
Investment management costs	-	-	-	6,789
Other resources expended	<u>63,348</u>	<u>11,857</u>	<u>81,551</u>	<u>731,051</u>
	<u>63,348</u>	<u>11,857</u>	<u>81,551</u>	<u>737,840</u>

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Year Ended 31/12/18 £	Period 20/11/16 to 31/12/17 £
Depreciation - owned assets	81,551	90,650
Deficit\surplus on disposal of fixed asset	<u>26,453</u>	<u>(86,718)</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the period ended 31 December 2017.

TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2018 nor for the period ended 31 December 2017.

OAK TREE ANIMALS' CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

8. STAFF COSTS

	Year Ended 31/12/18 £	Period 20/11/16 to 31/12/17 £
Wages and salaries	461,729	449,299
Social security costs	<u>38,176</u>	<u>26,482</u>
	<u>499,905</u>	<u>475,781</u>

The average monthly number of employees during the year was as follows:

	Year Ended 31/12/18	Period 20/11/16 to 31/12/17
Management and administration	13	12
Veterinary and animal welfare	13	15
Community	2	-
Shop & tea room	<u>2</u>	<u>-</u>
	<u>30</u>	<u>27</u>

No employees received emoluments in excess of £60,000.

The wages and salaries figure includes £8,642 of expenses relating to staff uniforms, equipment and training.

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2018	4,214,430	250,343	4,464,773
Additions	-	38,124	38,124
Disposals	<u>(6,424)</u>	<u>(20,205)</u>	<u>(26,629)</u>
At 31 December 2018	<u>4,208,006</u>	<u>268,262</u>	<u>4,476,268</u>
DEPRECIATION			
At 1 January 2018	1,083,038	172,909	1,255,947
Charge for year	62,626	18,925	81,551
Eliminated on disposal	<u>-</u>	<u>(3,031)</u>	<u>(3,031)</u>
At 31 December 2018	<u>1,145,664</u>	<u>188,803</u>	<u>1,334,467</u>
NET BOOK VALUE			
At 31 December 2018	<u>3,062,342</u>	<u>79,459</u>	<u>3,141,801</u>
At 31 December 2017	<u>3,131,392</u>	<u>77,434</u>	<u>3,208,826</u>

OAK TREE ANIMALS' CHARITY

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. FIXED ASSET INVESTMENTS

	Clydesdale Investment Mge £
MARKET VALUE	
At 1 January 2018	260,897
Disposals	(63,062)
Revaluations	<u>(11,397)</u>
At 31 December 2018	<u>186,438</u>
 NET BOOK VALUE	
At 31 December 2018	<u><u>186,438</u></u>
At 31 December 2017	<u><u>260,897</u></u>

There were no investment assets outside the UK.

11. PROGRAMME RELATED INVESTMENTS

	Investment Portfolio £	Totals £
MARKET VALUE		
At 1 January 2018	495,559	495,559
Additions	22,365	22,365
Disposals	(52,404)	(52,404)
Revaluations	<u>(38,411)</u>	<u>(38,411)</u>
At 31 December 2018	<u>427,109</u>	<u>427,109</u>
 NET BOOK VALUE		
At 31 December 2018	<u><u>427,109</u></u>	<u><u>427,109</u></u>
At 31 December 2017	<u><u>495,559</u></u>	<u><u>495,559</u></u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other debtors	<u><u>39,874</u></u>	<u><u>33,546</u></u>

OAK TREE ANIMALS' CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts	2,544	2,998
Unexpired grants	37,445	58,116
Trade creditors	14,997	25,706
Taxation and social security	1,180	-
Other creditors	<u>30,714</u>	<u>22,078</u>
	<u>86,880</u>	<u>108,898</u>

14. MOVEMENT IN FUNDS

	At 1/1/18 £	Net movement in funds £	At 31/12/18 £
Unrestricted funds			
General fund	3,984,875	(11,304)	3,973,571
	<u>3,984,875</u>	<u>(11,304)</u>	<u>3,973,571</u>
TOTAL FUNDS	<u>3,984,875</u>	<u>(11,304)</u>	<u>3,973,571</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	810,449	(821,753)	(11,304)
	<u>810,449</u>	<u>(821,753)</u>	<u>(11,304)</u>
TOTAL FUNDS	<u>810,449</u>	<u>(821,753)</u>	<u>(11,304)</u>

Comparatives for movement in funds

	At 20/11/16 £	Net movement in funds £	At 31/12/17 £
Unrestricted Funds			
General fund	4,210,404	(225,529)	3,984,875
	<u>4,210,404</u>	<u>(225,529)</u>	<u>3,984,875</u>
TOTAL FUNDS	<u>4,210,404</u>	<u>(225,529)</u>	<u>3,984,875</u>

OAK TREE ANIMALS' CHARITY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2018

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	619,960	(845,489)	(225,529)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>619,960</u>	<u>(845,489)</u>	<u>(225,529)</u>

15. PENSION COMMITMENTS

The charity operates a pension scheme through The People's Pension. A total contribution amount of £11,830 was paid by the charity for the period.

This amount is included in the Payroll taxes and pension figure of £38,176 in the SoFA, under Human Resources.

There was an amount of £1,179.67 due at the end of the period. This is shown under the Social security costs under note 5.

16. RELATED PARTY DISCLOSURES

Mr Peter Armer remains appointed as Trustee. Mr Peter Armer is a partner in RfM Chartered Management Accountants based in Lancaster and Windermere, the appointed firm.

The charity has links with OTAC Trading Limited, which is a company that run the shops and tea room. In the period some income has been received into the charity belonging to OTAC Trading Limited and some expenditure has been paid for by the charity relating to OTAC Trading Limited.

The total amount due to OTAC Trading Limited from the above activities is £47,035. This has been offset against the £62,066 Gift from OTAC Trading Limited. The remaining balance of £15,031 is included in the debtor figure in the balance sheet.

The following trustees of the charity are also directors of OTAC Trading Limited:

Ms R L Griffiths
Mr D Jordan
Mr P T Armer

17. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees.

OAK TREE ANIMALS' CHARITY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Year Ended 31/12/18 £	Period 20/11/16 to 31/12/17 £
INCOMING RESOURCES		
Voluntary income		
Donations	53,421	65,236
Appeal Donations	4,463	6,736
Gift aid	5,362	3,735
Legacies	522,407	358,658
Grants	100,175	30,880
Gift from OTAC Trading Ltd	62,066	32,741
Other Income	<u>2,101</u>	<u>811</u>
	749,995	498,797
Activities for generating funds		
Fundraising events	17,991	30,178
Animal Sponsorship	1,931	1,631
Lottery Income	908	716
Exceptional items	<u>66,077</u>	<u>-</u>
	86,907	32,525
Other incoming resources		
Gain on sale of tangible fixed assets	<u>(26,453)</u>	<u>88,638</u>
Total incoming resources	810,449	619,960
RESOURCES EXPENDED		
Costs of generating voluntary income		
Stock purchase	1,673	6,700
Direct costs	<u>82,240</u>	<u>77,003</u>
	83,913	83,703
Charity Expenditure		
Management		
Rates and water	12,235	11,383
Insurance	13,738	13,705
Light and heat	27,825	18,781
Telephone	2,462	6,995
Postage and stationery	11,030	13,858
Advertising	8,509	24,334
Membership & Subscriptions	<u>1,578</u>	<u>2,761</u>
	77,377	91,817

This page does not form part of the statutory financial statements

OAK TREE ANIMALS' CHARITY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

	Year Ended 31/12/18 £	Period 20/11/16 to 31/12/17 £
Finance		
Bank charges	1,271	819
Portfolio management fee	6,789	6,822
Loss on sale of tangible fixed assets	-	1,920
	8,060	9,561
Information technology		
IT	9,160	8,209
Human resources		
Wages	448,311	441,357
Payroll taxes and pension	38,176	26,482
	486,487	467,839
Misc expenses		
Staff Uniforms, equip & train	13,418	7,942
Capital Development	2,876	819
Sundry	396	1,870
Repairs & renewals	30,014	38,041
Licences	130	373
Equipment Hire	6,115	5,377
Professional & accountancy	10,399	20,105
	63,348	74,527
Travel & vehicle expenses		
Vehicle expenses	8,759	14,369
Travel, sub & hospitality	3,098	4,814
	11,857	19,183
Depreciation		
Motor Vehicle Depreciation	2,612	3,877
Equipment depreciation	16,313	14,767
Property depreciation	62,626	72,006
	81,551	90,650
Total resources expended	821,753	845,489
Net expenditure	(11,304)	(225,529)