# OAK TREE ANIMALS' CHARITY

England & Wales · Charity number 1169511

## Details

| | |
|---|---|
| **Other names** | ANIMALS' REFUGE, THE NATIONAL EQUINE (AND SMALLER ANIMALS) DEFENCE LEAGUE |
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 10404912 |
| **Registered** | 2016-10-06 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | Oak Tree Animals Charity<br>Oak Tree Farm<br>Wetheral Shields<br>Wetheral<br>Carlisle<br>CA4 8JA |
| **Phone** | 01228560082 |
| **Email** | info@oaktreeanimals.org.uk |
| **Website** | www.oaktreeanimals.org.uk |

## Activities

**Objects:** 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.

**Activities:** Oak Tree Animals' Charity is at the heart of the community. Helping hundreds of animals each year, we find loving new homes for cats, dogs and horses, promote responsible pet ownership through education and outreach activities and work with individuals who need our support.

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## Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Animals
- **Who:** Children/young People, Elderly/old People, Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

- Scotland
- Cumbria
- Northumberland

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2024-12-31 | £2,601,277 | £3,049,340 | £2,366,856 | 83 |
| 2023-12-31 | £2,395,366 | £2,437,769 | £2,773,073 | 68 |
| 2022-12-31 | £2,321,307 | £1,970,470 | £2,727,732 | 57 |
| 2021-12-31 | £1,409,273 | £1,161,816 | £2,446,571 | 38 |
| 2020-12-31 | £714,446 | £999,780 | £2,096,052 | 40 |

## Trustees

| Name | Role | Appointed |
|---|---|---|
| **Rachel Griffiths** | Chair | 2025-03-25 |
| Georgina Sheilagh Lowry | | 2024-02-29 |
| Martin Squires | | 2017-09-25 |
| Robert Winder | | 2025-01-27 |

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**OAK TREE ANIMALS' CHARITY**

England & Wales - Charity number 1169511

# Accounts

**Registered number: 10404912**
**Charity numbers: 1169511 & SC048389**

# OAK TREE ANIMALS' CHARITY

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

ArmstrongWatson®

Accountants, Business & Financial Advisers

**OAK TREE ANIMALS' CHARITY**
**(A company limited by guarantee)**

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**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2024

| | |
|---|---|
| | Mr M B Squires<br>Ms L Taylor (resigned 13 September 2024)<br>Mr S Wells (resigned 22 May 2025)<br>Mrs R L Griffiths (appointed 11 March 2025)<br>Mr R Winder (appointed 22 May 2025)<br>Ms J M Hansel (resigned 11 March 2025)<br>Mrs R Armstrong (appointed 29 February 2024)<br>Mrs G S Lowry (appointed 29 February 2024) |
| **Company registered number** | 10404912 |
| **Charity registered numbers** | 1169511 and SC048389 |
| **Registered office** | Oak Tree Farm<br>Wetheral<br>Carlisle<br>Cumbria<br>CA48JA |
| **Chief Executive Officer** | Mr M Notter |
| **Independent auditors** | Armstrong Watson Audit Limited<br>Chartered Accountants & Statutory Auditors<br>James Watson House<br>Montgomery Way<br>Rosehill<br>Carlisle<br>Cumbria<br>CA1 2UU |

**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report together with the audited financial statements of the Charity for the yearperiod 1 January 2024 to 31 December 2024. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

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

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

Our Values
Our values are integral to our everyday work. They reflect what we stand for and how we evaluate ourselves.

- We are proud to be non-judgemental and compassionate in our approach to animals and the people who care for them.
- We are proactive and value our work with partner organisations to find effective and evidence-based 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.
- We strive to be innovative, flexible and responsive to meet the needs of animals and our community in changing times; and
- We value our people, their passion and dedication, and aim to support our team, treating everyone as an individual.

## Objectives and activities

### a. Objectives and aims

Working for our community; caring for animals; making a difference. Oak Tree has been helping animals for 116 years. We are passionate about animal welfare and believe that every animal matters; helping thousands of animals every year. In 2024 we were able to assist 4,801 animals and their owners.

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. 2024 continued to provide challenges for pet owners with the social, political and economic climate remaining uncertain. Following the pandemic boom in new dogs, the most recent survey by Dogs Trust shows that the number of puppy owners and dogs aged under one year old has decreased significantly post-covid. This reduction could also be linked to the increase in cost of living and associated financial struggles. In 2024, 31% of people were looking at how they could switch to cheaper dog food; over 30% looking at reducing items like dog day care, dog walkers and grooming fees. (Dogs Trust, National Survey Results 2024).

Financial concern continues to be a worry for pet owners, with the rises in veterinary fees and utility price increases having significant impact. There continues to be a real risk of increased relinquishment and a reduced number of households looking to adopt. At Oak Tree we find dogs, cats and horses loving new homes, giving them respite and restoring their confidence to give them the best chance of a better future.

We aim to help with practical solutions for pet owners, enabling them to keep their pets whenever possible. We work alongside our partners at foodbanks, social services, housing associations, and other local organisations to support vulnerable owners and their pets who urgently need our help.

Our ‘A Helping Paw’ programme provides vital short-term fostering for those who are homeless or fleeing domestic violence, helping them to get vital support whilst knowing their pet is safe and well cared-for. We offer welfare advice and support to those in our community in a variety of ways including training classes, online resources and individual advice. Oak Tree also works with children and young people, helping understand the needs and behaviours of companion animals, using education to help them be the confident and knowledgeable owners in the future.

### b. Strategies for achieving objectives and aims

In early 2024 we launched a three-year strategy to redefine how we worked to help us navigate these challenges. The strategy has four key pillars.

1 Animal Welfare: Community and Rehoming
2 Human Behaviour
3 Collaboration
4 Sustainability

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2024

### Objectives and activities (continued)

### c. Activities undertaken to achieve objectives

Animal Welfare: Community and Rehoming
Animal welfare is at the core of everything we do at Oak Tree and it supports all the decisions we take. We work within evidence-based welfare guidelines and work flexibly to give the right support to the animals and owners in our community.

Human Behaviour
We strive to provide non-judgemental and practical support to the pet owners in our area. By using a consistent, evidence based and understanding approach, we will increase the knowledge and understanding necessary to foster the best relationships between animals and their owners.

Collaboration
Collaboration is an essential part of the way Oak Tree works. Working in partnerships with other organisations ensures we can provide the right support at the right time for those in our community. These partnerships raise our awareness of the wider environment, understand our local community better and ensure that we make every supporter's donation have maximum impact on animal welfare.

Sustainability
The financial environment around us continues to change and we need to work harder and smarter to make sure we continue to be here for the animals and owners in our region. We will continue to review, assess and build our income generation plans. Whilst managing our costs and minimising our impact on our environment wherever possible.

### d. Volunteers

Our volunteers are a crucial part of the Oak Tree Team. They help us care for more animals every year, giving us their time and experience with generosity. Their dedication enables us to reach out into our community to support animals and the people who care for them. The contribution of our volunteers is vital, and we would like to thank them for their enthusiasm and support, helping us to improve the lives of animals in our region.

### e. 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. Operating at Oak Tree Farm, we provide safe shelter for animals while a new home is sought for them. The Charity provides advice and support to pet owners and gives peace of mind when an animal is taken into care because the owner is no longer able to keep it. The Charity provides an education service on animal welfare issues to our community including to individuals, schools, nurseries, further education establishments, businesses and community groups.

The Charity Board reviews its services annually and considers the Charity Commission's guidance on public benefit when planning and assessing the impact of its services.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2024

### Achievements and performance

### a. Review of activities

In 2024, with your support, we were able to help 4,801 animals who needed our assistance through our animal welfare programmes. This includes 2,619 dogs, 2,123 cats, 59 horses and other animals.

With your support, in 2024 we were able to:

- Neuter 381 cats through our Trap Neuter Return (TNR) programme.
- Provide supported neutering and vet care for those in financial difficulty for 50 animals.
- Help 360 people and their pets through our behaviour and training team.
- Provide short-term foster placements for animals through our 'A Helping Paw' programme where their owners are fleeing domestic violence or are homeless, as well as supporting many other animals through other community-based programmes.

Our staff and volunteer teams work conscientiously to provide individual and appropriate support for animals and their owners. We continue to build our relationships with other Charities and organisations enabling us to continue to support animals and owners in need of help. This collaboration is vital in helping us to signpost to services appropriately, avoid duplication of service, and adapt and develop our programmes effectively in response to need.

Unwanted dog behaviour continues to be a key primary reason for relinquishment (40% of dog intake in 2024).

Education is key to ensure that we continue to improve animal welfare with young people, our wider community and local professionals. In 2024 our Education Team worked with 729 adults and 1,578 children, providing a range of learning opportunities and activities to promote animal welfare. In addition, our online learning resources were downloaded over 10,000 times.

For the third year we were invited to work collaboratively with eight other welfare charities across the UK to have an educational and welfare presence at the Appleby Horse Fair. Our team spoke with travellers about horse care, answering questions and giving support as needed.

We were delighted to welcome so many visitors to Oak Tree Farm and our shops in 2024. In 2024 we saw our Charity Shop network grow throughout Cumbria and Northumberland. These shops not only generate vital income for our work but also touch points to our services for those in our local communities. Our shops have developed networks within their areas, providing opportunities for partnership working with local foodbanks, support services and directly to pet owners in need.

## Financial review

### a. Review of the year

We continue to diversify our income streams with the development of our Trading Subsidiary, and we are extremely grateful for the generous legacies left for Oak Tree.

The key financial facts for year ended 31st December 2024 are; Income: £2,601,277, Expenditure: £3,049,340 (with the difference between income and expenditure being a deficit of £448,063). Total unrestricted reserves at the end of 2024 were £2,341,791, with £344,393 being accessible reserves, and the remainder being tangible fixed assets, primarily our land and buildings. By comparison, the accounts of year ending 31st December 2023 showed income of £2,395,366, and expenditure of £2,437,769 producing a deficit for the period of £42,403.

We would like to thank all those supporters and funders who so generously supported our work this year:

Alice Noakes Memorial Charitable Trust, Animal Friends Insurance, Armstrong Watson, ADCH with Mars Petcare, Box Power CIC; Burns Pet Nutrition, Caledonia Park, Carlisle Refrigeration, Cartmell Shepherd, Co-operative Local Community Fund, Cumberland Council, Groundwork Tesco Community Grants, Health4Horses, HSBC, Kierweb, Marjorie Coote Animal Charity Trust, Mrs DM France-Hayhurst Charitable Trust, PetPlan Charitable Trust, Postcode Neighbourhood Trust, The Arthur Camp Foundation Trust, The Astor Foundation, The Audrey Emma Lamb Trust, The Barry Green Memorial Fund, The Catherine Cookson Charitable Trust, The Charity of Stella Symons, The David Family Foundation, The Elise Pilkington Charitable Trust, The Emerson Foundation, The Michael and Shirley Hunt Charitable Trust, The Prowting Charitable Foundation, The Rose Animal Welfare Trust, The Tula Trust, The Walker Trust, The Turnpike Charitable Trust.

**b. Going concern**

In preparing the financial statements, the Trustees have given careful consideration to the current and anticipated funding requirements of the Trust and its ability to continue as a going concern for at least 12 months from the date of signing of the financial statements.

As part of the review the Trustees have considered the following:

- The Charity's short and long-term plan to increase fundraising and other income to stabilise the next 12 months cashflow.
- Increasing the consistent financial support given to the Charity's by its wholly owned Trading Company OTAC Ltd
- The reduction in variable and overhead expenditure.

The Charity will build on its programme of reducing expenditure by streamlining departments and services. The savings planned for 2025 will total £200,000.

As part of a long-term programme of increasing fundraising to rely less on the unpredictably of Legacy receipts new streams of fundraising will be pursued. These include, but are not limited to, maximising our Lottery engagement and Sponsorship products and maximising the collection of Gift Aid.

The Charity has been benefited from a total of £89,037 unrestricted income in 2024 from the profits of the Charity Shops run on the Charity's behalf by its wholly owned Trading Company OTAC Ltd. 4 shops were opened in the 2024/25 year and 5 more are planned for 2025/26 accounting period. With a proven track record of profitable shops over 6/7 years the Charity anticipates that income from the profits of the shops for the 2026 period will be £300,000.

Given the Charity's success in consistently increasing retail income, the increases seen in fundraising projects, and latterly the reduction in costs, the Charity Trustees are satisfied that the additional funding obtained for the forthcoming period, the expected funding to be received from an increase to trading levels in 2025/26 and beyond provides sufficient financial headroom to meet the Charity's liabilities as they fall due for at least 12 months from the date of signing the financial statements and have continued to prepare the financial statements on a going concern basis.

The cashflow projections considered by the Trustees show that with the above expectations regarding increased fundraising, further streamlining of services and trading performance materialising, that the Charity has sufficient financial headroom for the immediate 12 months from the date of signing of the financial statements. However, the Trustees are aware that this is reliant on the timing and number of shops opening and the growth rate of fundraising initiatives. Without the expected or alternative sources of funding the Charity expects to encounter manageable budget shortfalls within the immediate 12 months. However, by January 2026 there is a significant shortfall projected in cash reserves primarily driven by a lack of secured medium to long term funding for the forthcoming periods. The Trustees are confident that sufficient funding can be obtained from the cost saving measures which the Charity is able to deploy combined with careful monitoring of expenditure which can seek to mitigate the impact of any immediate projected shortfalls.

The Trustees recognise that these circumstances in respect of the uncertainty around additional funding and trading expectations represent a material uncertainty which may cast significant doubt upon the Charity's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of operations. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

**c. Reserves policy**

Each year the Board of Trustees reviews the reserves of the charity in line with the Charity's investment policy, looking at income and expenditure and the overall value of reserves.

At the balance sheet date, unrestricted reserves excluding tangible fixed assets amounted to £344,393.

**d. Investments 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. The investment policy sets out the requirement for reserves to be invested conservatively and in line with the Charity Commission guidelines with a diversified portfolio to minimise risk. An ethical policy has been adopted to avoid investments that conflict with the aims of the Charity. This policy precludes direct investment in companies involved in vivisection or drug testing on animals.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2024

### Structure, governance and management

#### a. Constitution

Oak Tree Animals' Charity is registered as a charitable company limited by guarantee and was set up by a Trust deed.

#### b. Methods of appointment or election of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. Day to day management is delegated to the Chief Executive Officer, Mr M Notter.

#### c. Policies adopted for the induction and training of Trustees

All new trustees undergo a period of induction and training, supported by the Trustee Board and the Senior Management Team. It is vital our trustees have up-to-date relevant knowledge relating to governance and our sector, and hence this commitment to training continues throughout their period of trusteeship.

#### d. Pay policy for key management personnel

The Board of Trustees sets the remuneration of the management team in line with fair market rates, taking into consideration the specific requirements of the role. The performance and level of remuneration is reviewed annually.

#### e. Related party relationships

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

#### f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

#### g. Decision making

The Board of Trustees meets throughout the year to make decisions regarding the direction and governance of the Charity in accordance with the governing document. No business is transacted at any general meeting unless a quorum of three members is present, with decisions taken through a vote indicated by a show of hands, with each member entitled to one vote. In the event of deadlock, the Chair of the Board may cast an additional deciding vote. A resolution may also be made in writing by simple majority of the members who would have been entitled to vote on it were it held at a general meeting.

## Plans for future periods

There are some significant challenges ahead in 2025. Pet owners across the UK are struggling with the increased cost of living and their pet and veterinary costs. Shelters across the UK continue to see an increase in the number of behaviour issues in dogs. Additionally, the space in shelters for intake continues to be seriously stretched. Our own costs have continued to rise, particularly in utilities and veterinary bills, and our generous donors are also facing their own financial challenges.

We are committed to the animals and those who care for them across our region. With our proactive approach and long-term vision, we believe we can meet these challenges and ensure animals and their owners received the support they need, now and in the future.

2025 will see our Charity continue to develop:

- Fostering options and alternate rehoming models.
- Focussing on education and on human behaviour change.
- Increasing the use of our charity shop network to help us meet our four strategic pillars.
- Creating a sustainable and resilient structure for our Charity's future.
- Diversifying our income streams.
- Embedding our ask@ service throughout our whole community to encourage early intervention.
- Maintaining and growing our collaborations with other charities and our peers for greater impact.

## Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2024

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

### Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....
**Mrs R L Griffiths**
Chair of Trustees
Date:
19/12/2025

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY

### Opinion

We have audited the financial statements of Oak Tree Animals' Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2024 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Charities (Reports and Accounts) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the charity has a significant shortfall projected in cash reserves for the forthcoming periods. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY (CONTINUED)

### Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006, the Charities Act 2011, the Charities (Reports and Accounts) Regulations 2008, the Charities and Trustees Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

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

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

## Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with the Charities (Reports and Accounts) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae (Dec 19, 2025 10:26:46 GMT)

**Karen Rae FCCA (Senior statutory auditor)**
For on and behalf of
**Armstrong Watson Audit Limited**
Chartered Accountants & Statutory Auditors
Carlisle

Date: 19/12/2025

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ | *Total funds 2023 £* |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 4 | **754,519** | **43,377** | **797,896** | *1,007,695* |
| Other trading activities | 5 | **1,722,904** | **-** | **1,722,904** | *1,379,802* |
| Investments | 6 | **13,526** | **-** | **13,526** | *7,869* |
| Other income | | **66,951** | **-** | **66,951** | *-* |
| **Total income** | | **2,557,900** | **43,377** | **2,601,277** | *2,395,366* |
| **Expenditure on:** | | | | | |
| Raising funds | 7 | **835,692** | **-** | **835,692** | *631,608* |
| Charitable activities | 8 | **2,104,649** | **108,999** | **2,213,648** | *1,806,161* |
| **Total expenditure** | | **2,940,341** | **108,999** | **3,049,340** | *2,437,769* |
| **Net expenditure before net gains on investments** | | **(382,441)** | **(65,622)** | **(448,063)** | *(42,403)* |
| Net gains on investments | | **29,727** | **-** | **29,727** | *12,744* |
| **Net movement in funds before other recognised gains/(losses)** | | **(352,714)** | **(65,622)** | **(418,336)** | *(29,659)* |
| **Other recognised gains/(losses):** | | | | | |
| Gains on revaluation of fixed assets | | **12,119** | **-** | **12,119** | *75,000* |
| **Net movement in funds** | | **(340,595)** | **(65,622)** | **(406,217)** | *45,341* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **2,682,385** | **90,688** | **2,773,073** | *2,727,732* |
| Net movement in funds | | **(340,595)** | **(65,622)** | **(406,217)** | *45,341* |
| **Total funds carried forward** | | **2,341,790** | **25,066** | **2,366,856** | *2,773,073* |

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

The notes on pages 21 to 51 form part of these financial statements.

**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**
**REGISTERED NUMBER: 10404912**

## CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2024

| | Note | | 2024 £ | | *2023 £* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | **1,583,445** | | *1,538,405* |
| Investments | 15 | | **317,285** | | *287,558* |
| Investment property | 14 | | **96,667** | | *133,333* |
| | | | **1,997,397** | | *1,959,296* |
| **Current assets** | | | | | |
| Stocks | 16 | **32,366** | | *13,785* | |
| Debtors | 17 | **328,527** | | *360,034* | |
| Cash at bank and in hand | | **276,942** | | *679,788* | |
| | | **637,835** | | *1,053,607* | |
| **Current liabilities** | | | | | |
| Creditors: amounts falling due within one year | 18 | **(239,041)** | | *(223,240)* | |
| **Net current assets** | | | **398,794** | | *830,367* |
| **Total assets less current liabilities** | | | **2,396,191** | | *2,789,663* |
| Creditors: amounts falling due after more than one year | 19 | | **(6,335)** | | *(16,590)* |
| Provisions for liabilities | | | **(23,000)** | | - |
| **Total net assets** | | | **2,366,856** | | *2,773,073* |
| **Charity funds** | | | | | |
| Restricted funds | 21 | | **25,066** | | *90,688* |
| Unrestricted funds | 21 | | **2,341,790** | | *2,682,385* |
| **Total funds** | | | **2,366,856** | | *2,773,073* |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....

**Mrs R L Griffiths**
Chair of Trustees
Date: 19/12/2025

The notes on pages 21 to 51 form part of these financial statements.

**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**
**REGISTERED NUMBER: 10404912**

## CHARITY BALANCE SHEET
## AS AT 31 DECEMBER 2024

| | Note | | 2024<br>£ | | *2023*<br>*£* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | **1,560,561** | | *1,508,957* |
| Investments | 15 | | **317,285** | | *287,559* |
| Investment property | 14 | | **96,667** | | *133,333* |
| | | | **1,974,513** | | *1,929,849* |
| **Current assets** | | | | | |
| Stocks | 16 | **-** | | *273* | |
| Debtors | 17 | **452,682** | | *380,500* | |
| Cash at bank and in hand | | **112,936** | | *592,278* | |
| | | **565,618** | | *973,051* | |
| **Current liabilities** | | | | | |
| Creditors: amounts falling due within one year | 18 | **(170,577)** | | *(142,048)* | |
| **Net current assets** | | | **395,041** | | *831,003* |
| **Total assets less current liabilities** | | | **2,369,554** | | *2,760,852* |
| Creditors: amounts falling due after more than one year | 19 | | **(6,335)** | | *(16,590)* |
| Provisions for liabilities | | | **(23,000)** | | - |
| **Net assets excluding pension asset** | | | **2,340,219** | | *2,744,262* |
| **Total net assets** | | | **2,340,219** | | *2,744,262* |

## CHARITY BALANCE SHEET (CONTINUED)
## AS AT 31 DECEMBER 2024

| | Note | 2024 £ | *2023 £* |
|---|---|---|---|
| **Charity funds** | | | |
| Restricted funds | 21 | **90,688** | *90,688* |
| Unrestricted funds | 21 | **2,249,531** | *2,653,574* |
| **Total funds** | | **2,340,219** | *2,744,262* |

The Charity's net movement in funds for the year was £(404,043) *(2023 - £35,272)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
**Mrs R L Griffiths**
Chair of Trustees
Date: 19/12/2025

The notes on pages 21 to 51 form part of these financial statements.

**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

| | 2024 £ | *2023 £* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities (note 24) | **(314,351)** | *685,897* |
| **Cash flows from investing activities** | | |
| Dividends, interests and rents from investments | **6,716** | *6,336* |
| Purchase of tangible fixed assets | **(91,366)** | *(89,137)* |
| Proceeds from sale of investments | **100** | *36,262* |
| Interest received | **6,810** | *1,533* |
| **Net cash used in investing activities** | **(77,740)** | **(45,006)** |
| **Cash flows from financing activities** | | |
| Repayments of borrowing | **(10,000)** | *(10,000)* |
| Interest paid | **(755)** | *(648)* |
| **Net cash used in financing activities** | **(10,755)** | **(10,648)** |
| **Change in cash and cash equivalents in the year** | **(402,846)** | **630,243** |
| Cash and cash equivalents at the beginning of the year | **679,788** | *49,545* |
| **Cash and cash equivalents at the end of the year** | **276,942** | *679,788* |

The notes on pages 21 to 51 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. General information

Oak Tree Animals' Charity is a a company limited by guarantee registered in England and Wales and also a Charity registered with both the Charity Commission and the Office of the Scottish Charity Regulator. The principal activity of the Charity is the care and rehoming of animals in need as well as community education and engagement on animal welfare.

These accounts are presented in pounds sterling and are rounded to the nearest pound unless stated otherwise.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Oak Tree Animals' Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

## 2. Accounting policies (continued)

### 2.2 Going concern

In preparing the financial statements, the Trustees have given careful consideration to the current and anticipated funding requirements of the Trust and its ability to continue as a going concern for at least 12 months from the date of signing of the financial statements.

As part of the review the Trustees have considered the following:

- The Charity's short and long-term plan to increase fundraising and other income to stabilise the next 12 months cashflow.
- Increasing the consistent financial support given to the Charity's by its wholly owned Trading Company OTAC Ltd
- The reduction in variable and overhead expenditure.

The Charity will build on its programme of reducing expenditure by streamlining departments and services. The savings planned for 2025 will total £200,000.

As part of a long-term programme of increasing fundraising to rely less on the unpredictably of Legacy receipts new streams of fundraising will be pursued. These include, but are not limited to, maximising our Lottery engagement and Sponsorship products and maximising the collection of Gift Aid.

The Charity has been benefited from a total of £89,037 unrestricted income in 2024 from the profits of the Charity Shops; run on the Charity's behalf by its wholly owned Trading Company OTAC Limited. Four shops were opened in the 2024/25 year and five more are planned for 2025/26 accounting period. With a proven track record of profitable shops over 6/7 years the Charity anticipates that income from the profits of the shops for the 2026 period will be £300,000.

Given the Charity's success in consistently increasing retail income, the increases seen in fundraising projects and latterly the reduction in costs, the Charity Trustees are satisfied that the additional funding obtained for the forthcoming period, the expected funding to be received from an increase to trading levels in 2025/26 and beyond provides sufficient financial headroom to meet the Charity's liabilities as they fall due for at least 12 months from the date of signing the financial statements and have continued to prepare the financial statements on a going concern basis.

The cashflow projections considered by the Trustees show that with the above expectations regarding increased fundraising, further streamlining of services and trading performance materialising, that the Charity has sufficient financial headroom for the immediate 12 months from the date of signing of the financial statements. However, the Trustees are aware that this is reliant on the timing and number of shops opening and the growth rate of fundraising initiatives. Without the expected or alternative sources of funding the Charity expects to encounter manageable budget shortfalls within the immediate 12 months. However, by January 2026 there is a significant shortfall projected in cash reserves primarily driven by a lack of secured medium to long term funding for the forthcoming periods. The Trustees are confident that sufficient funding can be obtained from the cost saving measures which the Charity is able to deploy combined with careful monitoring of expenditure which can seek to mitigate the impact of any immediate projected shortfalls.

The Trustees recognise that these circumstances in respect of the uncertainty around additional funding and trading expectations represent a material uncertainty which may cast significant doubt upon the Charity's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of operations. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

## 2. Accounting policies (continued)

### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

## 2. Accounting policies (continued)

### 2.3 Income (continued)

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated goods, professional services and facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

As it is impractical to measure the fair value of goods donated for resale, the donated goods are recognised when they are sold.

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Wages and salaries have been apportioned in line with the activities undertaken by the employee.

### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.6 Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements.

Further details of their contribution is provided in note 7 to these financial statements and in the Trustees' report.

## 2. Accounting policies (continued)

### 2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The charity has adopted the revaluation model to revalue items of freehold property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Financial Activities and added to reserves in a separate Revaluation reserve.

Investment property rented to other group entities and accounted for under the cost model is stated at historic cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a straight line and reducing balance basis.

Depreciation is provided on the following basis:

| | | | |
|---|---|---|---|
| Freehold property | - | 2% | reducing balance |
| Plant and machinery | - | 15% | reducing balance/20% straight line |
| Motor vehicles | - | 25% | reducing balance |
| Fixtures and fittings | - | 15% | reducing balance/25% straight line |
| Computer equipment | - | 33% | reducing balance |

Depreciation is charged on a monthly basis from the calendar month following acquisition or on the bringing into use of the asset, whichever is the latter. A full month is charged in the month of disposal.

## 2. Accounting policies (continued)

### 2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

The investment portfolio held as fixed asset investments are measured at market value.

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value.

Any impairment is recognised in the year in which it occurs int he corresponding category in the Statement of Financial Activities.

### 2.10 Stocks

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

### 2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.13 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.15 Operating leases

**The Group as lessee**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

**The Group as lessor**

Rental income from operating leases is credited to the Consolidated statement of financial activities on a straight-line basis over the lease term.

### 2.16 Pensions

The Group operates a defined contribution pension scheme and the assets of this scheme are held separate to those of the Group in an independently administered fund. The pension charge represents the amounts payable by the Group to the fund in respect of the year.

### 2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

**Depreciation and impairment of fixed assets**

Depreciation rates are calculated based on the estimated useful life of each class of asset held. Assets are reviewed annually for any signs of impairment and if such impairment exists, judgement is exercised to determine if the asset is correctly valued.

The carrying amount of fixed assets is included within the tangible fixed assets note.

**Valuation of investment property**

The investment property is valued by a professional valuer periodically. In the interim periods the Trustees exercise their judgement to assess whether the valuation remains accurate before making any adjustments as deemed necessary.

**Contingent assets in relation to legacy income not yet received**

Legacy income is inherrently complex and takes a significant amount of time from the point of notification to the point funds are received by the Charity. The Trustees exercise judgement based on their past experience with legacy receipts to determine when it is likely the income will be received and how much will be received.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 4. Income from donations and legacies

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|---|
| **Grants** | | | |
| Grants for general purposes | 46,018 | - | **46,018** |
| Grants for Animal projects | - | 15,000 | **15,000** |
| Grants for Community & Educational projects | - | 28,377 | **28,377** |
| | 46,018 | 43,377 | **89,395** |
| Donations | 183,804 | - | **183,804** |
| Legacies | 524,697 | - | **524,697** |
| **Subtotal** | 708,501 | - | **708,501** |
| | 754,519 | 43,377 | **797,896** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 4. Income from donations and legacies (continued)

| | *Unrestricted funds 2023* £ | *Restricted funds 2023* £ | *Total funds 2023* £ |
|---|---|---|---|
| **Grants** | | | |
| Grants for general purposes | *36,622* | *15,298* | *51,920* |
| Grants for Equine projects | - | - | - |
| Grants for Animal projects | - | *6,750* | *6,750* |
| Grants for Community & Educational projects | - | *11,246* | *11,246* |
| | *36,622* | *33,294* | *69,916* |
| Donations | *261,736* | - | *261,736* |
| Legacies | *676,043* | - | *676,043* |
| **Subtotal** | *937,779* | - | *937,779* |
| | *974,401* | *33,294* | *1,007,695* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 5. Income from other trading activities

**Income from fundraising events**

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|
| Fundraising events, sponsorship and lottery income | 13,045 | **13,045** |

| | *Unrestricted funds 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Fundraising events, sponsorship and lottery income | *6,870* | *6,870* |

**Income from non charitable trading activities**

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|
| Trading income in OTAC Trading Ltd | 1,709,859 | **1,709,859** |

Trading income in 2023 in OTAC Trading Ltd amounted to £1,372,932 of unrestricted funds.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 6. Investment income

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|
| Investment income - dividends | 6,716 | **6,716** |
| Investment income - bank interest | 6,810 | **6,810** |
| | 13,526 | **13,526** |

| | *Unrestricted funds 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Investment income - dividends | *6,336* | *6,336* |
| Investment income - bank interest | *1,533* | *1,533* |
| | *7,869* | *7,869* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 7. Expenditure on raising funds

**Costs of raising voluntary income**

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|
| Event expenses | 18,995 | **18,995** |

| | *Unrestricted funds 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Event expenses | *25,066* | *25,066* |

Volunteers play a full part in the life of Oak Tree, supporting animal care, administration, governance and facilities functions; manning events, organising collections and undertaking a wide variety of fundraising activities.

In 2024 our volunteers gave over 63,000 hours of time equating to over £700,000 of support based on minimum wage (2023 – over 52,000 hours equating to over £541,840 of support).

**Fundraising trading expenses**

| | Unrestricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|
| Direct costs in OTAC Trading Ltd | 424,040 | **424,040** |
| Administration expenses in OTAC Trading Ltd | 383,363 | **383,363** |
| Depreciation in OTAC Trading Ltd | 9,294 | **9,294** |
| | 816,697 | **816,697** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 7. Expenditure on raising funds (continued)

**Fundraising trading expenses (continued)**

| | *Unrestricted funds 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Direct costs in OTAC Trading Ltd | *308,375* | *308,375* |
| Administration expenses in OTAC Trading Ltd | *284,036* | *284,036* |
| Depreciation in OTAC Trading Ltd | *14,131* | *14,131* |
| | *606,542* | *606,542* |

### 8. Analysis of expenditure on charitable activities

**Summary by fund type**

| | **Unrestricted funds 2024 £** | **Restricted funds 2024 £** | **Total 2024 £** |
|---|---|---|---|
| Charitable activities | 2,104,649 | 108,999 | **2,213,648** |

| | *Unrestricted funds 2023 £* | *Restricted funds 2023 £* | *Total 2023 £* |
|---|---|---|---|
| Charitable activities | *1,592,104* | *214,057* | *1,806,161* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 9. Analysis of expenditure by activities

| | Activities undertaken directly 2024 £ | Support costs 2024 £ | Total funds 2024 £ |
|---|---|---|---|
| Charitable activities | 1,793,545 | 420,103 | **2,213,648** |

| | *Activities undertaken directly 2023 £* | *Support costs 2023 £* | *Total funds 2023 £* |
|---|---|---|---|
| Charitable activities | *1,421,600* | *384,561* | *1,806,161* |

**Analysis of support costs**

| | Activities 2024 £ | Total funds 2024 £ |
|---|---|---|
| Depreciation | 46,711 | **46,711** |
| Loss on disposal of fixed assets | 1,529 | **1,529** |
| Office costs | 14,375 | **14,375** |
| Volunteer costs | 9,958 | **9,958** |
| Computer costs | 20,349 | **20,349** |
| Bank charges | 5,271 | **5,271** |
| Audit and accountancy fees | 24,930 | **24,930** |
| Provision | 23,000 | **23,000** |
| Rates and premises costs | 105,536 | **105,536** |
| Payroll bureau charges | 3,264 | **3,264** |
| Equipment hire | 13,623 | **13,623** |
| Bank loan interest | 755 | **755** |
| Sundry expenses | 7,475 | **7,475** |
| Bad debts recovered and cash under/over's | 3,485 | **3,485** |
| Staff training | 4,522 | **4,522** |
| Legal and professional fees | 77,772 | **77,772** |
| Repairs and maintenance | 57,548 | **57,548** |
| | 420,103 | **420,103** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 9. Analysis of expenditure by activities (continued)

**Analysis of support costs (continued)**

| | *Activities 2023 £* | *Total funds 2023 £* |
|---|---|---|
| Staff costs | *34,537* | *34,537* |
| Depreciation | *63,923* | *63,923* |
| Office costs | *14,257* | *14,257* |
| Volunteer costs | *11,499* | *11,499* |
| Computer costs | *18,727* | *18,727* |
| Bank charges | *8,141* | *8,141* |
| Audit and accountancy fees | *21,414* | *21,414* |
| Rates and premises costs | *99,805* | *99,805* |
| Payroll bureau charges | *1,765* | *1,765* |
| Equipment hire | *9,154* | *9,154* |
| Bank loan interest | *648* | *648* |
| Sundry expenses | *12,188* | *12,188* |
| Bad debts recovered and cash under/over's | *1,566* | *1,566* |
| Staff training | *2,212* | *2,212* |
| Legal and professional fees | *41,894* | *41,894* |
| Repairs and maintenance | *42,831* | *42,831* |
| | *384,561* | *384,561* |

### 10. Auditors' remuneration

| | **2024 £** | *2023 £* |
|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **16,100** | *14,780* |
| Fees payable to the Charity's auditor in respect of: | | |
| All non-audit services not included above | **4,900** | *3,520* |

## 11. Staff costs

| | **Group 2024 £** | *Group 2023 £* | **Charity 2024 £** | *Charity 2023 £* |
|---|---|---|---|---|
| Wages and salaries | **1,485,128** | *1,201,564* | **1,485,128** | *1,201,564* |
| Social security costs | **101,068** | *78,844* | **101,068** | *78,844* |
| Contribution to defined contribution pension schemes | **22,269** | *18,870* | **22,269** | *18,870* |
| | **1,608,465** | *1,299,278* | **1,608,465** | *1,299,278* |

The average number of persons employed by the Charity during the year was as follows:

| | **Group 2024 No.** | *Group 2023 No.* | **Charity 2024 No.** | *Charity 2023 No.* |
|---|---|---|---|---|
| Facilities and office | **14** | *11* | **14** | *11* |
| Veterinary and animal welfare | **17** | *14* | **17** | *14* |
| Community | **7** | *4* | **7** | *4* |
| Shop and tea room | **40** | *34* | **40** | *34* |
| Fundraising | **5** | *5* | **5** | *5* |
| | **83** | *68* | **83** | *68* |

No employee received remuneration amounting to more than £60,000 in either year.

Wages paid to 5 key management personnel totalled £138,262 (2023 - 5 employees, £167,003).

## 12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the year ended 31 December 2024, expenses totalling £NIL were reimbursed or paid directly to Trustees (2023 - *£NIL*).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 13. Tangible fixed assets

**Group**

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 January 2024 | **1,476,807** | **52,358** | **101,894** | **169,929** | **28,988** | **1,829,976** |
| Additions | **20,368** | **1,586** | **54,949** | **8,708** | **5,755** | **91,366** |
| Disposals | **-** | **(267)** | **(6,130)** | **-** | **(595)** | **(6,992)** |
| Transfers between classes | **48,785** | **-** | **-** | **(31,900)** | **31,900** | **48,785** |
| At 31 December 2024 | **1,545,960** | **53,677** | **150,713** | **146,737** | **66,048** | **1,963,135** |
| **Depreciation** | | | | | | |
| At 1 January 2024 | **80,486** | **28,748** | **62,278** | **105,221** | **14,838** | **291,571** |
| Charge for the year | **19,843** | **4,400** | **18,519** | **11,511** | **9,326** | **63,599** |
| On disposals | **-** | **(267)** | **(4,501)** | **-** | **(542)** | **(5,310)** |
| Transfers between classes | **-** | **-** | **-** | **(25,729)** | **25,729** | **-** |
| Impairment charge | **-** | **-** | **27,136** | **2,694** | **-** | **29,830** |
| At 31 December 2024 | **100,329** | **32,881** | **103,432** | **93,697** | **49,351** | **379,690** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 13. Tangible fixed assets (continued)

**Group (continued)**

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---|---|---|---|---|---|---|
| **Net book value** | | | | | | |
| At 31 December 2024 | **1,445,631** | **20,796** | **47,281** | **53,040** | **16,697** | **1,583,445** |
| *At 31 December 2023* | *1,396,321* | *23,610* | *39,616* | *64,708* | *14,150* | *1,538,405* |

## 13. Tangible fixed assets (continued)

**Charity**

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 January 2024 | **1,476,807** | **39,337** | **92,394** | **160,629** | **-** | **1,769,167** |
| Additions | **20,368** | **1,586** | **22,000** | **2,075** | **5,130** | **51,159** |
| Disposals | **-** | **-** | **(6,130)** | **-** | **-** | **(6,130)** |
| Transfers between classes | **48,785** | **-** | **-** | **(31,900)** | **31,900** | **48,785** |
| At 31 December 2024 | **1,545,960** | **40,923** | **108,264** | **130,804** | **37,030** | **1,862,981** |
| **Depreciation** | | | | | | |
| At 1 January 2024 | **80,486** | **19,936** | **59,903** | **99,885** | **-** | **260,210** |
| Charge for the year | **19,843** | **3,049** | **10,924** | **8,393** | **4,502** | **46,711** |
| On disposals | **-** | **-** | **(4,501)** | **-** | **-** | **(4,501)** |
| Transfers between classes | **-** | **-** | **-** | **(25,729)** | **25,729** | **-** |
| At 31 December 2024 | **100,329** | **22,985** | **66,326** | **82,549** | **30,231** | **302,420** |
| **Net book value** | | | | | | |
| At 31 December 2024 | **1,445,631** | **17,938** | **41,938** | **48,255** | **6,799** | **1,560,561** |
| *At 31 December 2023* | *1,396,321* | *19,401* | *32,491* | *60,744* | *-* | *1,508,957* |

**13. Tangible fixed assets (continued)**

**Charity (continued)**

Freehold property was revalued in November 2019 by William Bashall Associates to a market value of £1.415m. This included land of £545,000 which is not depreciated as well as investment property of £397,118 which has been reclassified. Additions since the valuation amount to £80,508.

During the year a property changed use and was transferred out of investment property and into freehold property at its market value as agreed by the Trustees.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 14. Investment property

**Group**

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2024 | **133,333** |
| Surplus on revaluation | **12,119** |
| Transfers between classes | **(48,785)** |
| At 31 December 2024 | **96,667** |

**Charity**

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2024 | **133,333** |
| Surplus on revaluation | **12,119** |
| Transfers between classes | **(48,785)** |
| At 31 December 2024 | **96,667** |

Freehold property is included at valuation of £73,333 plus land at estimated market value of £60,000. In the year, a property changed use and was transferred out of investment property and into freehold property at its market value as agreed by the Trustees.

The valuation was made by William Bashall Associates in November 2019 on an open market value for existing use basis and updated in the year by the Trustees based on market information. It is the opinion of the Trustees that this valuation has not materially altered at the period end date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 15. Fixed asset investments

| Group | Other fixed asset investments £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 2024 | **287,558** |
| Revaluations | **29,727** |
| At 31 December 2024 | **317,285** |
| **Net book value** | |
| At 31 December 2024 | **317,285** |
| *At 31 December 2023* | *287,558* |

Other fixed asset investments includes £3,805 (2023 - £4,971) of cash balances in the investment portfolio.

| Charity | Other fixed asset investments £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 2024 | **287,558** |
| Revaluations | **29,727** |
| At 31 December 2024 | **317,285** |
| **Net book value** | |
| At 31 December 2024 | **317,285** |
| *At 31 December 2023* | *287,558* |

### 16. Stocks

| | Group 2024 £ | *Group 2023 £* | Charity 2024 £ | *Charity 2023 £* |
|---|---|---|---|---|
| Consumable stocks | **32,366** | *13,785* | **-** | *273* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 17. Debtors

| | Group 2024 £ | *Group 2023 £* | Charity 2024 £ | *Charity 2023 £* |
|---|---|---|---|---|
| **Due within one year** | | | | |
| Trade debtors | **2,051** | *11,258* | **-** | *5,135* |
| Amounts owed by group undertakings | **-** | *-* | **168,833** | *60,405* |
| Other debtors | **26,999** | *28,274* | **3,055** | *5,657* |
| Prepayments and accrued income | **44,565** | *23,356* | **25,882** | *12,157* |
| Grants and legacies receivable | **254,912** | *297,146* | **254,912** | *297,146* |
| | **328,527** | *360,034* | **452,682** | *380,500* |

### 18. Creditors: Amounts falling due within one year

| | Group 2024 £ | *Group 2023 £* | Charity 2024 £ | *Charity 2023 £* |
|---|---|---|---|---|
| Bank loans | **10,332** | *10,077* | **10,332** | *10,077* |
| Trade creditors | **83,280** | *87,804* | **53,773** | *63,352* |
| Other taxation and social security | **52,019** | *22,582* | **52,019** | *22,582* |
| Other creditors | **5,254** | *3,974* | **5,254** | *3,974* |
| Accruals and deferred income | **88,156** | *98,803* | **49,199** | *42,063* |
| | **239,041** | *223,240* | **170,577** | *142,048* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 19. Creditors: Amounts falling due after more than one year

| | Group 2024 £ | *Group 2023 £* | Charity 2024 £ | *Charity 2023 £* |
|---|---|---|---|---|
| Bank loans | **6,335** | *16,590* | **6,335** | *16,590* |

Included within the above are amounts falling due as follows:

| | Group 2024 £ | *Group 2023 £* | Charity 2024 £ | *Charity 2023 £* |
|---|---|---|---|---|
| **Between one and two years** | | | | |
| Bank loans | **6,335** | *10,332* | **6,335** | *10,332* |
| **Between two and five years** | | | | |
| Bank loans | **-** | *6,258* | **-** | *6,258* |
| **Over five years** | | | | |

The bank loan is a government backed Bounceback Loan which is unsecured and repayable over a period totalling 72 months, the first 12 months of which are interest and payment free. The final 60 months of the loan attracts interest at a fixed rate of 2.5%.

### 20. Provisions

**Group**

| | Provisions £ |
|---|---|
| Additions | **23,000** |
| | **23,000** |

**Charity**

| | Provisions £ |
|---|---|
| Additions | **23,000** |
| | **23,000** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 21. Statement of funds

**Statement of funds - current year**

| | Balance at 1 January 2024 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2024 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General funds | **2,682,385** | **2,557,900** | **(2,940,341)** | **41,846** | **2,341,790** |
| **Restricted funds** | | | | | |
| Tea room | **19,330** | **-** | **(413)** | **-** | **18,917** |
| Fencing | **1,342** | **-** | **(1,342)** | **-** | **-** |
| Cats welfare | **70,016** | **-** | **(70,016)** | **-** | **-** |
| HAF project | **-** | **3,600** | **(2,700)** | **-** | **900** |
| Vet Bills | **-** | **15,000** | **(15,000)** | **-** | **-** |
| Costs of Living | **-** | **24,777** | **(19,528)** | **-** | **5,249** |
| | **90,688** | **43,377** | **(108,999)** | **-** | **25,066** |
| **Total of funds** | **2,773,073** | **2,601,277** | **(3,049,340)** | **41,846** | **2,366,856** |

The Tea Room fund represents funds received for improvements to the tea room.

The fencing fund represents funds received for the creation, maintenance and repair of our equine fencing.

The Cats welfare fund represents legacy income received which is specifically to be spent on cats welfare.

The HAF project represents funds received to run and support children's activity days.

The Vet Bills fund represents funds received which is specifically to be spent on veterinary expenditure.

The Costs of Living project represents funds received to educate and communicate to the public the impact of cost of living on animal adoption.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 21. Statement of funds (continued)

**Statement of funds - prior year**

| | *Balance at 1 January 2023* £ | *Income* £ | *Expenditure* £ | *Transfers in/out* £ | *Gains/ (Losses)* £ | *Balance at 31 December 2023* £ |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General funds | *2,436,295* | *2,362,072* | *(2,223,712)* | *19,986* | *87,744* | *2,682,385* |
| **Restricted funds** | | | | | | |
| Animal welfare | - | *6,750* | *(6,750)* | - | - | - |
| Community projects and education | - | *11,246* | *(11,246)* | - | - | - |
| Woodland maintenance | *21,686* | - | *(1,700)* | *(19,986)* | - | - |
| Tea room | *19,751* | - | *(421)* | - | - | *19,330* |
| Fencing | - | *15,298* | *(13,956)* | - | - | *1,342* |
| Cats welfare | *250,000* | - | *(179,984)* | - | - | *70,016* |
| | *291,437* | *33,294* | *(214,057)* | *(19,986)* | - | *90,688* |
| **Total of funds** | *2,727,732* | *2,395,366* | *(2,437,769)* | - | *87,744* | *2,773,073* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 22. Summary of funds

**Summary of funds - current year**

| | Balance at 1 January 2024 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2024 £ |
|---|---|---|---|---|---|
| General funds | **2,682,385** | **2,557,900** | **(2,940,341)** | **41,846** | **2,341,790** |
| Restricted funds | **90,688** | **43,377** | **(108,999)** | **-** | **25,066** |
| | **2,773,073** | **2,601,277** | **(3,049,340)** | **41,846** | **2,366,856** |

**Summary of funds - prior year**

| | *Balance at 1 January 2023 £* | *Income £* | *Expenditure £* | *Transfers in/out £* | *Gains/ (Losses) £* | *Balance at 31 December 2023 £* |
|---|---|---|---|---|---|---|
| General funds | *2,436,295* | *2,362,072* | *(2,223,712)* | *19,986* | *87,744* | *2,682,385* |
| Restricted funds | *291,437* | *33,294* | *(214,057)* | *(19,986)* | *-* | *90,688* |
| | *2,727,732* | *2,395,366* | *(2,437,769)* | *-* | *87,744* | *2,773,073* |

### 23. Analysis of net assets between funds

**Analysis of net assets between funds - current period**

| | Unrestricted funds 2024 £ | Restricted funds 2024 £ | Total funds 2024 £ |
|---|---|---|---|
| Tangible fixed assets | 1,583,445 | - | **1,583,445** |
| Fixed asset investments | 317,285 | - | **317,285** |
| Investment property | 96,667 | - | **96,667** |
| Current assets | 612,769 | 25,066 | **637,835** |
| Creditors due within one year | (239,041) | - | **(239,041)** |
| Creditors due in more than one year | (6,335) | - | **(6,335)** |
| Provisions for liabilities and charges | (23,000) | - | **(23,000)** |
| **Total** | 2,341,790 | 25,066 | **2,366,856** |

## 23. Analysis of net assets between funds (continued)

**Analysis of net assets between funds - prior period**

| | *Unrestricted funds 2023 £* | *Restricted funds 2023 £* | *Total funds 2023 £* |
|---|---|---|---|
| Tangible fixed assets | *1,538,405* | *-* | *1,538,405* |
| Fixed asset investments | *287,558* | *-* | *287,558* |
| Investment property | *133,333* | *-* | *133,333* |
| Current assets | *962,919* | *90,688* | *1,053,607* |
| Creditors due within one year | *(223,240)* | *-* | *(223,240)* |
| Creditors due in more than one year | *(16,590)* | *-* | *(16,590)* |
| **Total** | *2,682,385* | *90,688* | *2,773,073* |

## 24. Reconciliation of net movement in funds to net cash flow from operating activities

| | **Group 2024 £** | *Group 2023 £* |
|---|---|---|
| Net expenditure for the period (as per Statement of Financial Activities) | **(418,336)** | *(29,659)* |
| **Adjustments for:** | | |
| Depreciation charges | **93,429** | *78,053* |
| Interest received | **(6,810)** | *(1,533)* |
| Losses/(gains) on investments | **(29,727)** | *(12,616)* |
| Dividends, interests and rents from investments | **(6,716)** | *(6,336)* |
| Loss on the sale of fixed assets | **1,581** | *-* |
| Increase in stocks | **(18,581)** | *(6,440)* |
| Decrease in debtors | **31,507** | *606,154* |
| Increase in creditors | **15,547** | *57,626* |
| Interest paid | **755** | *648* |
| Increase in provisions | **23,000** | *-* |
| **Net cash provided by/(used in) operating activities** | **(314,351)** | *685,897* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 25. Analysis of cash and cash equivalents

| | Group 2024 £ | *Group 2023 £* |
|---|---|---|
| Cash in hand | **100** | *100* |
| Notice deposits (less than 3 months) | **276,842** | *679,688* |
| **Total cash and cash equivalents** | **276,942** | *679,788* |

### 26. Analysis of changes in net debt

| | At 1 January 2024 £ | Cash flows £ | Other non-cash changes £ | At 31 December 2024 £ |
|---|---|---|---|---|
| Cash at bank and in hand | **679,788** | **(402,846)** | **-** | **276,942** |
| Debt due within 1 year | **(10,077)** | **10,000** | **(10,255)** | **(10,332)** |
| Debt due after 1 year | **(16,590)** | **-** | **10,255** | **(6,335)** |
| | **653,121** | **(392,846)** | **-** | **260,275** |

### 27. Contingent assets

The Charity receives income from legacies, of which they recognise in the financial statements once the amount can be reasonably determined following probate and the final estate value is known.

There have been no additional amounts notified since the year end date and hence there is no contingent asset to disclose.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 28. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund. Amounts totalling £5,254 (2023 - £1,761) were payable to the fund at the balance sheet date and are included in creditors.

### 29. Operating lease commitments

At 31 December 2024 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | **Group 2024 £** | *Group 2023 £* | **Charity 2024 £** | *Charity 2023 £* |
|---|---|---|---|---|
| Not later than 1 year | **120,909** | *110,227* | **4,188** | *5,649* |
| Later than 1 year and not later than 5 years | **166,034** | *181,032* | **18,846** | *5,040* |
| | **286,943** | *291,259* | **23,034** | *10,689* |

### 30. Related party transactions

The charitable company has taken advantage of the exemptions available under section 33 of FRS 102 which dispenses with the need to disclose related party transactions with wholly owned subsidiaries within the group.

There are no transactions with related parties outside of the group.

Trustee remuneration and expenses have been disclosed in note 12.

### 31. Controlling party

The Charity is under the control of the Trustees.

**OAK TREE ANIMALS' CHARITY**

England & Wales - Charity number 1169511

# Accounts

Registered number: 10404912
Charity numbers: 1169511 & SC048389

# OAK TREE ANIMALS' CHARITY

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

ArmstrongWatson®
Accountants, Business & Financial Advisers

OAK TREE ANIMALS' CHARITY
(A company limited by guarantee)

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**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2023

| | |
|---|---|
| **Trustees** | Ms E J C Hoyles (resigned 24 May 2023)<br>Mr M B Squires<br>Mr S Wells<br>Ms L Taylor<br>Ms M L Sullivan (resigned 6 September 2023)<br>Ms J M Hansel<br>Mrs R Armstrong (appointed 29 February 2024)<br>Mrs G S Lowry (appointed 29 February 2024) |
| **Company registered number** | 10404912 |
| **Charity registered numbers** | 1169511 and SC048389 |
| **Registered office** | Oak Tree Farm<br>Wetheral Shields<br>Carlisle<br>Cumbria<br>CA48JA |
| **Chief executive officer** | Ms C A Johnson |
| **Independent auditors** | Armstrong Watson Audit Limited<br>Chartered Accountants & Statutory Auditors<br>James Watson House<br>Montgomery Way<br>Rosehill<br>Carlisle<br>Cumbria<br>CA1 2UU |

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report together with the audited financial statements of the Charity for the period 1 January 2023 to 31 December 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

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

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

**Our Values**
Our values are integral to our everyday work. They reflect what we stand for and how we evaluate ourselves

- We are proud to be non-judgemental and compassionate in our approach to animals and the people who care for them
- We are proactive and value our work with partner organisations to find effective and evidence-based 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; and
- We strive to be innovative, flexible and responsive to meet the needs of animals and our community in changing times.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2023

### Objectives and activities

### a. Objectives and aims

Working for our community; caring for animals; making a difference. Oak Tree has been helping animals for 115 years. We are passionate about animal welfare and believe that every animal matters; helping thousands of animals every year. In 2023 we were able to assist 4,471 animals and their owners.

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.

2023 continued to provide challenges for pet owners as the social, political and economic climate remained uncertain. Following the pandemic boom in new dogs, the most recent survey by Dogs Trust shows that the number of puppy owners and dogs aged under one year old has decreased significantly post-covid. This reduction could also be linked to the increase in cost of living and associated financial struggles. In 2023, 19% of people were looking at how they could witch to cheaper dog food; 13.8% considering skipping non-emergency vet care and over 30% looking at reducing items like dog day care, dog walkers and grooming fees. 92% of people said that they were less likely to get a dog in 2024 due to the cost of living (Dogs Trust, National Survey Results 2023).

Financial concern is causing difficult choices for pet owners, and there is a real risk of increased relinquishment with a reduced number of households looking to adopt. A perfect storm,

We find dogs, cats and horses loving new homes, rescuing and rehabilitating them to give them the best chance of a bright future. Rehoming is intrinsically reactive - something has gone wrong. Our proactive community approach seeks to find solutions for pet owners, wherever practical and appropriate, thus keeping pets in loving homes and avoiding unnecessary stress and heartache. We work alongside our partners at foodbanks, social services, housing associations and other local organisations to help vulnerable pet owners who desperately need our help. Our 'A Helping Paw' programme provides vital short-term fostering for those who are homeless or fleeing domestic violence, helping them rebuild lives whilst knowing their pet is safe and well cared-for. We run community clinics and training classes to offer welfare advice and support and we also work with schools and community groups to educate the next generation of pet owners.

### b. Strategies for achieving objectives and aims

In early 2024 we will be launching our new three-year strategy to help us navigate these challenges. This strategy is built around four key pillars.

1 Animal Welfare: Community and Rehoming
2 Human Behaviour
3 Collaboration
4 Sustainability

**Objectives and activities (continued)**

**c. Activities undertaken to achieve objectives**

**Animal Welfare: Community and Rehoming**
Animal welfare is at the heart of our Charity. Our proactive community-based approach, combined with our flexible rehoming services allows us to ensure that we are able to find solution for animals and their owners in our community.

**Human Behaviour**
To effect real change for animal welfare we need to ensure that our education and community approach provides both practical, evidence-based solutions and long-lasting behaviour change.

**Collaboration**
Partnerships with other organisations have been vital for our success to date. Collaborations are essential to provide effective, timely support, improve animal welfare, avoid duplication of service, and to make every penny of our supporters donations go further.

**Sustainability**
Financial and environmental sustainability are vital to ensure that we are here for future generations of animals and owners in our region. Throughout this strategy we will seek to build on our income generation plans, manage our costs and seek to minimised our impact on our environment wherever possible.

**d. Volunteers**

Our volunteers are amazing and make an invaluable contribution to our Charity and the animal and pet owners in our community. Without them we would be unable to achieve the scale of the work that we do. We would like to thank them for their dedication and commitment to our work and improving the lives of animals in our region.

**e. 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 at Oak Tree Farm, a temporary shelter for animals while a new home is sought for them.
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 an education service on animal welfare issues to our community including individuals, schools, nurseries, further education establishments, businesses and community groups.

When establishing strategies and deciding upon the main activities, the trustees have had regard to Charity Commission guidance on public benefit.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2023

### Achievements and performance

### a. Review of activities

In 2023, with your support, we were able to help 4,471 animals who needed our assistance through our animal welfare programmes. This includes 2,351 dogs, 1,760 cats, 68 horses and 292 other animals.

With your support, in 2023 we were able to:

- Neuter 294 cats through our Trap Neuter Return (TNR) programme
- Provide supported neutering and vet care for those in financial difficulty for 117 animals
- Help 356 people and their pets through our behaviour and training team
- Provide short-term foster placements for 96 animals through our 'A Helping Paw' programme where their owners are fleeing domestic violence or are homeless.

as well as supporting many other animals through other community-based programmes.

Our staff and volunteer teams work tirelessly to make sure every case we are able to help has the right individual outcome for both animal and owner. Collaboration with partners is key and we have continued to build our relationships with other charities and organisations to ensure we are able to support animals in owners in need, signpost to services appropriately, avoid duplication of service and adapt and develop our programmes effectively in response to need.

Unwanted dog behaviour continues to be a key primary reason for relinquishment (34% of dog intake in 2023). Our behaviour and training team developed their work throughout 2023 to include increased provision for 1-2-1 sessions, new classes and increased telephone and email services. With the increase we have seen in dog reactivity issues in both our intake and community dogs, we held our first online Understanding Canine Reactivity Workshop aiming to help owners understand what their dogs are going through and how to implement ethical, positive training methods to help them.

A proactive approach to welfare remains our priority. To help provide that front-line, first response service we launched our Ask@ service run by our welfare experts for pet owners seeking advice to any questions about pet ownership. Calls in 2023 were varied and included advice around the XL Bully ban, dog reactivity towards humans, parasite treatment, travel anxiety and recall issues.

Education is key to ensure that we continue to improve animal welfare with young people, our wider community and local professionals. In 2023 our Education Team worked with 881 adults and 1,233 children, providing a range of learning opportunities and activities to promote animal welfare. Our online learning resources were downloaded over 8,500 times.

For the second year we were invited to work collaboratively with eight other welfare charities across the UK to have an educational and welfare presence at the Appleby Horse Fair. Our team spoke with travellers about horse care, answering questions and giving support as needed.

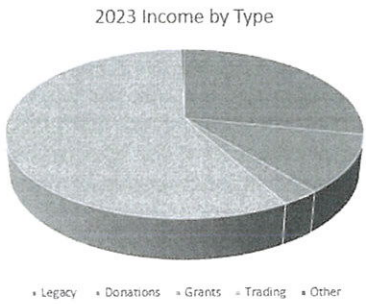
We were delighted to welcome so many visitors to Oak Tree Farm and our shops in 2023. In 2023 we saw our Charity Shop network grow throughout Cumbria and Northumberland to include a presence in Blaydon, Ponteland and Durham. These shops not only generate vital income for our work, but also provide access points to our services at the heart of our community. Our shops have developed networks within their community, providing opportunities for partnership working with local foodbanks, support services and directly to pet owners in need.

## Financial review

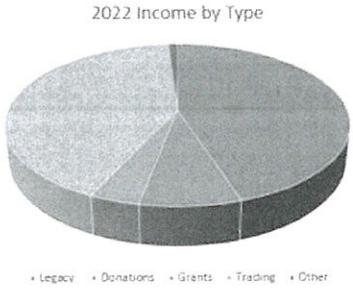
### a. Review of the year

We continue to diversify our income streams with the development of our Trading Subsidiary and we are extremely grateful for the generous legacies left to Oak Tree.

| 2023 | TOTAL | % OF INCOME |
|---|---|---|
| Legacy | 676,043 | 28.22 |
| Donations | 261,736 | 10.93 |
| Grants | 69,916 | 2.92 |
| Trading | 1,379,802 | 57.60 |
| Other | 7,869 | 0.33 |




| 2022 | TOTAL | % OF INCOME |
|---|---|---|
| Legacy | 1,045,632 | 45.04 |
| Donations | 186,314 | 8.03 |
| Grants | 100,813 | 4.34 |
| Trading | 980,755 | 42.25 |
| Other | 7,793 | 0.34 |




The key financial facts for year ended 31st December 2023 are: income: £2,395,366, expenditure: £2,437,769 (with the difference between income and expenditure being a deficit of £42,303). There was a gain on investments of £12,744 and a gain on revaluation of fixed assets of £75,000 during 2023. Total unrestricted reserves at the end of 2023 were £2,682,385, with £723,089 being accessible reserves, and the remainder being tangible fixed assets, primarily our land and buildings.

By comparison, the accounts of year ending 31st December 2022 showed income of £2,321,307, and expenditure of £1,970,470 producing a surplus for the period of £350,837.

We would like to thank all of those supporters and funders who so generously supported our work this year: Alice Noakes Memorial Charitable Trust, Animal Friends Insurance, Armstrong Watson, ADCH with Mars Petcare, Box Power CIC; Burns Pet Nutrition, Caledonia Park, Carlisle Refrigeration, Cartmell Shepherd, Co-operative Local Community Fund, Cumbria County Council, Groundwork Tesco Community Grants, Health4Horses, HSBC, Kierweb, Marjorie Coote Animal Charity Trust, Mrs DM France-Hayhurst Charitable Trust, PetPlan Charitable Trust, Postcode Neighbourhood Trust, The Arthur Camp Foundation Trust, The Astor Foundation, The Audrey Emma Lamb Trust, The Barry Green Memorial Fund, The Catherine Cookson Charitable Trust, The Charity of Stella Symons, The David Family Foundation, The Elise Pilkington Charitable Trust, The Emerson Foundation, The Michael and Shirley Hunt Charitable Trust, The Prowting Charitable Foundation, The Rose Animal Welfare Trust, The Tula Trust, The Walker Trust, The Turnpike Charitable Trust.

**b. Reserves policy**

Each year the Board of Trustees reviews the reserves of the charity in line with the Charity's investment policy, looking at income and expenditure and the overall value of reserves.

At the balance sheet date, unrestricted reserves excluding tangible fixed assets amounted to £723,089.

**c. Investments 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.

The investment policy sets out the requirement for reserves to be invested conservatively and in line with the Charity Commission guidelines with a diversified portfolio to minimise risk. An ethical policy has been adopted to avoid investments that conflict with the aims of the Charity. This policy precludes direct investment in companies involved in vivisection or drug testing on animals.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2023

### Structure, governance and management

#### a. Constitution

Oak Tree Animals' Charity is registered as a charitable company limited by guarantee and was set up by a Trust deed.

#### b. Methods of appointment or election of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. Day to day management is delegated to the Chief Executive Officer, Ms C A Johnson.

#### c. Policies adopted for the induction and training of Trustees

All new trustees undergo a period of induction and training, supported by the Trustee Board and the Senior Management Team. It is vital our trustees have up-to-date relevant knowledge relating to governance and our sector, and hence this commitment to training continues throughout their period of trusteeship.

#### d. Pay policy for key management personnel

The Board of Trustees sets the remuneration of the management team in line with fair market rates, taking into consideration the specific requirements of the role. The performance and level of remuneration is reviewed annually.

#### e. Related party relationships

The Charity has a wholly owned subsidiary trading company, OTAC Trading Limited, 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.

#### f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

#### g. Decision making

The Board of Trustees meets throughout the year to make decisions regarding the direction and governance of the Charity in accordance with the governing document. No business is transacted at any general meeting unless a quorum of three members is present, with decisions taken through a vote indicated by a show of hands, with each member entitled to one vote. In the event of deadlock the Chair of the Board may cast an additional deciding vote. A resolution may also be made in writing by simple majority of the members who would have been entitled to vote on it were it held at a general meeting.

## Plans for future periods

2024 has some significant challenges ahead. Pet owners across the UK are struggling with the increased cost of living and pet costs. Shelters across the UK are seeing an increase in the number of significant behaviour issues in dogs and cats and intake lists throughout the county are at record levels. Our own cost levels are rising and our generous donors are also facing their own financial challenges.

With our commitment to our region, our proactive, community-based approach and our strategic model for sustainability, we believe we are in a strong position to meet these challenges and ensure animals and their owners received the support they need, now and in the future.

2024 sees the launch of our new strategy period and will see our Charity:

- Continuing to focus on fostering options and develop alternate rehoming models
- Broadening our approach to education with a specific focus on human behaviour change
- Increasing the use of our charity shop network to meet all of our four strategic pillars
- Creating a sustainable and resilient structure for our Charity's future
- Diversifying our income streams
- Embedding our ask@ service throughout our whole community to encourage early intervention
- Enhancing our collaborations with other charities and our peers to maximise our impact.

## Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2023

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

### Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

.....

**Mr S Wells**
Trustee
Date: 13/9/24

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY

### Opinion

We have audited the financial statements of Oak Tree Animals' Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities Act 2011, the Charities (Reports and Accounts) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006, the Charities Act 2011, the Charities (Reports and Accounts) Regulations 2008, the Charities and Trustees Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY (CONTINUED)

### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY
(CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with the Charities (Reports and Accounts) Regulations 2008 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae

**Karen Rae FCCA (Senior statutory auditor)**

**Armstrong Watson Audit Limited**
Chartered Accountants & Statutory Auditors
Carlisle

Date: 13 September 2024

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

OAK TREE ANIMALS' CHARITY
(A company limited by guarantee)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
## FOR THE YEAR ENDED 31 DECEMBER 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | *Total funds 2022 £* |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 4 | **974,401** | **33,294** | **1,007,695** | *1,332,759* |
| Other trading activities | 5 | **1,379,802** | **-** | **1,379,802** | *980,755* |
| Investments | 6 | **7,869** | **-** | **7,869** | *7,793* |
| **Total income** | | **2,362,072** | **33,294** | **2,395,366** | *2,321,307* |
| **Expenditure on:** | | | | | |
| Raising funds | 7 | **631,608** | **-** | **631,608** | *489,279* |
| Charitable activities | 8 | **1,592,104** | **214,057** | **1,806,161** | *1,481,191* |
| **Total expenditure** | | **2,223,712** | **214,057** | **2,437,769** | *1,970,470* |
| **Net income/(expenditure) before net gains/(losses) on investments** | | **138,360** | **(180,763)** | **(42,403)** | *350,837* |
| Net gains/(losses) on investments | | **12,744** | **-** | **12,744** | *(69,676)* |
| **Net income/(expenditure)** | | **151,104** | **(180,763)** | **(29,659)** | *281,161* |
| Transfers between funds | 21 | **19,986** | **(19,986)** | **-** | *-* |
| **Net movement in funds before other recognised gains/(losses)** | | **171,090** | **(200,749)** | **(29,659)** | *281,161* |
| **Other recognised gains/(losses):** | | | | | |
| Gains on revaluation of fixed assets | | **75,000** | **-** | **75,000** | *-* |
| **Net movement in funds** | | **246,090** | **(200,749)** | **45,341** | *281,161* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **2,436,295** | **291,437** | **2,727,732** | *2,446,571* |
| Net movement in funds | | **246,090** | **(200,749)** | **45,341** | *281,161* |
| **Total funds carried forward** | | **2,682,385** | **90,688** | **2,773,073** | *2,727,732* |

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

The notes on pages 19 to 47 form part of these financial statements.

OAK TREE ANIMALS' CHARITY
(A company limited by guarantee)
REGISTERED NUMBER: 10404912

## CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2023

| | Note | | 2023 £ | | 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | **1,538,405** | | *1,177,321* |
| Investments | 15 | | **287,558** | | *311,204* |
| Investment property | 14 | | **133,333** | | *408,333* |
| | | | **1,959,296** | | *1,896,858* |
| **Current assets** | | | | | |
| Stocks | 16 | **13,785** | | *7,345* | |
| Debtors | 17 | **360,034** | | *966,188* | |
| Cash at bank and in hand | | **679,788** | | *49,545* | |
| | | **1,053,607** | | *1,023,078* | |
| Creditors: amounts falling due within one year | 18 | **(223,240)** | | *(164,762)* | |
| **Net current assets** | | | **830,367** | | *858,316* |
| **Total assets less current liabilities** | | | **2,789,663** | | *2,755,174* |
| Creditors: amounts falling due after more than one year | 19 | | **(16,590)** | | *(27,442)* |
| **Total net assets** | | | **2,773,073** | | *2,727,732* |
| **Charity funds** | | | | | |
| Restricted funds | 21 | | **90,688** | | *291,437* |
| Unrestricted funds | 21 | | **2,682,385** | | *2,436,295* |
| **Total funds** | | | **2,773,073** | | *2,727,732* |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....

**Mr S Wells**
Trustee
Date: 13/9/24

The notes on pages 19 to 47 form part of these financial statements.

OAK TREE ANIMALS' CHARITY
(A company limited by guarantee)
REGISTERED NUMBER: 10404912

## CHARITY BALANCE SHEET
## AS AT 31 DECEMBER 2023

| | Note | | 2023 £ | | 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | 1,508,957 | | 1,157,957 |
| Investments | 15 | | 287,559 | | 311,205 |
| Investment property | 14 | | 133,333 | | 408,333 |
| | | | 1,929,849 | | 1,877,495 |
| **Current assets** | | | | | |
| Stocks | 16 | 273 | | 273 | |
| Debtors | 17 | 380,500 | | 952,673 | |
| Cash at bank and in hand | | 592,278 | | 24,149 | |
| | | 973,051 | | 977,095 | |
| Creditors: amounts falling due within one year | 18 | (142,048) | | (118,158) | |
| **Net current assets** | | | 831,003 | | 858,937 |
| **Total assets less current liabilities** | | | 2,760,852 | | 2,736,432 |
| Creditors: amounts falling due after more than one year | 19 | | (16,590) | | (27,442) |
| **Total net assets** | | | 2,744,262 | | 2,708,990 |
| **Charity funds** | | | | | |
| Restricted funds | 21 | | 90,688 | | 291,437 |
| Unrestricted funds | 21 | | 2,653,574 | | 2,417,553 |
| **Total funds** | | | 2,744,262 | | 2,708,990 |

The Charity's net movement in funds for the year was £35,272 *(2022 - £272,240)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
Mr S Wells
Trustee
Date: 13/9/24

The notes on pages 19 to 47 form part of these financial statements.

OAK TREE ANIMALS' CHARITY
(A company limited by guarantee)

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2023

| | 2023<br>£ | *2022*<br>*£* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities (note 24) | **685,897** | *(292,729)* |
| **Cash flows from investing activities** | | |
| Dividends, interests and rents from investments | **6,336** | *7,180* |
| Purchase of tangible fixed assets | **(89,137)** | *(90,902)* |
| Proceeds from sale of investments | **36,262** | *77,234* |
| Interest received | **1,533** | *613* |
| **Net cash used in investing activities** | **(45,006)** | **(5,875)** |
| **Cash flows from financing activities** | | |
| Repayments of borrowing | **(10,000)** | *(10,000)* |
| Decrease/(increase) in investments | **-** | *2,820* |
| Interest paid | **(648)** | *-* |
| **Net cash used in financing activities** | **(10,648)** | **(7,180)** |
| **Change in cash and cash equivalents in the year** | **630,243** | **(305,784)** |
| Cash and cash equivalents at the beginning of the year | **49,545** | *355,329* |
| **Cash and cash equivalents at the end of the year** | **679,788** | *49,545* |

The notes on pages 19 to 47 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 1. General information

Oak Tree Animals' Charity is a a company limited by guarantee registered in England and Wales and also a Charity registered with both the Charity Commission and the Office of the Scottish Charity Regulator. The principal activity of the Charity is the care and rehoming of animals in need as well as community education and engagement on animal welfare.

These accounts are presented in pounds sterling and are rounded to the nearest pound unless stated otherwise.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Oak Tree Animals' Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

#### 2.2 Going concern

The Trustees have reviewed the budgets and cashflow forecasts for the coming 12 months in their going concern assessment, including various scenarios where income is reduced and costs are increased. They are confident that through the management of current funds available and prudent planning, they have sufficient resources available to meet their needs for a period beyond 12 months from the point of signing.

#### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

2. Accounting policies (continued)

2.3 Income (continued)

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated goods, professional services and facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

As it is impractical to measure the fair value of goods donated for resale, the donated goods are recognised when they are sold.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Wages and salaries have been apportioned in line with the activities undertaken by the employee.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements.

Further details of their contribution is provided in note 7 to these financial statements and in the Trustees' report.

## 2. Accounting policies (continued)

### 2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The charity has adopted the revaluation model to revalue items of freehold property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Financial Activities and added to reserves in a separate Revaluation reserve.

Investment property rented to other group entities and accounted for under the cost model is stated at historic cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a straight line and reducing balance basis.

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Freehold property | - | 2% reducing balance |
| Plant and machinery | - | 15% reducing balance/20% straight line |
| Motor vehicles | - | 25% reducing balance |
| Fixtures and fittings | - | 15% reducing balance/25% straight line |
| Computer equipment | - | 33% reducing balance |

Depreciation is charged on a monthly basis from the calendar month following acquisition or on the bringing into use of the asset, whichever is the latter. A full month is charged in the month of disposal.

2. Accounting policies (continued)

**2.9 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

The investment portfolio held as fixed asset investments are measured at market value.

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value.

Any impairment is recognised in the year in which it occurs int he corresponding category in the Statement of Financial Activities.

**2.10 Stocks**

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

**2.11 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.12 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**2.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**2.14 Financial instruments**

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.15 Operating leases

The Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

The Group as lessor

Rental income from operating leases is credited to the Consolidated statement of financial activities on a straight-line basis over the lease term.

2.16 Pensions

The Group operates a defined contribution pension scheme and the assets of this scheme are held separate to those of the Group in an independently administered fund. The pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## 3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

**Depreciation and impairment of fixed assets**

Depreciation rates are calculated based on the estimated useful life of each class of asset held. Assets are reviewed annually for any signs of impairment and if such impairment exists, judgement is exercised to determine if the asset is correctly valued.

The carrying amount of fixed assets is included within the tangible fixed assets note.

**Valuation of investment property**

The investment property is valued by a professional valuer periodically. In the interim periods the Trustees exercise their judgement to assess whether the valuation remains accurate before making any adjustments as deemed necessary.

**Contingent assets in relation to legacy income not yet received**

Legacy income is inherrently complex and takes a significant amount of time from the point of notification to the point funds are received by the Charity. The Trustees exercise judgement based on their past experience with legacy receipts to determine when it is likely the income will be received and how much will be received.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 4. Income from donations and legacies

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| **Grants** | | | |
| Grants for general purposes | 36,622 | 15,298 | **51,920** |
| Grants for Equine projects | - | - | **-** |
| Grants for Animal projects | - | 6,750 | **6,750** |
| Grants for Community & Educational projects | - | 11,246 | **11,246** |
| | 36,622 | 33,294 | **69,916** |
| Donations | 261,736 | - | **261,736** |
| Legacies | 676,043 | - | **676,043** |
| **Subtotal** | 937,779 | - | **937,779** |
| | 974,401 | 33,294 | **1,007,695** |

4. Income from donations and legacies (continued)

| | *Unrestricted funds 2022* £ | *Restricted funds 2022* £ | *Total funds 2022* £ |
|---|---|---|---|
| **Grants** | | | |
| Grants for general purposes | *53,352* | *21,991* | *75,343* |
| Grants for Animal projects | - | *1,000* | *1,000* |
| Grants for Community & Educational projects | - | *21,000* | *21,000* |
| COVID-19 related grants | - | *3,470* | *3,470* |
| | - | - | - |
| | *53,352* | *47,461* | *100,813* |
| Donations | *186,314* | - | *186,314* |
| Legacies | *795,632* | *250,000* | *1,045,632* |
| **Subtotal** | *981,946* | *250,000* | *1,231,946* |
| | *1,035,298* | *297,461* | *1,332,759* |

## 5. Income from other trading activities

### Income from fundraising events

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Fundraising events, sponsorship and lottery income | 6,870 | **6,870** |

| | *Unrestricted funds 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Fundraising events, sponsorship and lottery income | *8,100* | *8,100* |

### Income from non charitable trading activities

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Trading income in OTAC Trading Ltd | 1,372,932 | **1,372,932** |

Trading income in 2022 in OTAC Trading Ltd amounted to £972,655 of unrestricted funds.

## 6. Investment income

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Investment income - dividends | 6,336 | **6,336** |
| Investment income - bank interest | 1,533 | **1,533** |
| | 7,869 | **7,869** |

| | *Unrestricted funds 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Investment income - dividends | *7,180* | *7,180* |
| Investment income - bank interest | *613* | *613* |
| | *7,793* | *7,793* |

## 7. Expenditure on raising funds

### Costs of raising voluntary income

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Event expenses | 25,066 | **25,066** |

| | *Unrestricted funds 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Event expenses | *7,051* | *7,051* |

Volunteers play a full part in the life of Oak Tree, supporting animal care, administration, governance and facilities functions; manning events, organising collections and undertaking a wide variety of fundraising activities.

In 2023 our volunteers gave over 52,000 hours of time equating to an incredible £541,840 of support based on minimum wage (2022 – over 36,696 hours equating to over £346,969 of support).

### Fundraising trading expenses

| | Unrestricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|
| Direct costs in OTAC Trading Ltd | 308,375 | **308,375** |
| Administration expenses in OTAC Trading Ltd | 284,036 | **284,036** |
| Depreciation in OTAC Trading Ltd | 14,131 | **14,131** |
| | 606,542 | **606,542** |

7. **Expenditure on raising funds (continued)**

**Fundraising trading expenses (continued)**

| | *Unrestricted funds 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Direct costs in OTAC Trading Ltd | *425,257* | *425,257* |
| Administration expenses in OTAC Trading Ltd | *47,671* | *47,671* |
| Depreciation in OTAC Trading Ltd | *9,300* | *9,300* |
| | *482,228* | *482,228* |

8. **Analysis of expenditure on charitable activities**

**Summary by fund type**

| | **Unrestricted funds 2023 £** | **Restricted funds 2023 £** | **Total 2023 £** |
|---|---|---|---|
| Charitable activities | 1,592,104 | 214,057 | **1,806,161** |

| | *Unrestricted funds 2022 £* | *Restricted funds 2022 £* | *Total 2022 £* |
|---|---|---|---|
| Charitable activities | *1,437,378* | *43,813* | *1,481,191* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 9. Analysis of expenditure by activities

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Charitable activities | 1,421,600 | 384,561 | **1,806,161** |

| | *Activities undertaken directly 2022 £* | *Support costs 2022 £* | *Total funds 2022 £* |
|---|---|---|---|
| Charitable activities | *1,187,917* | *293,274* | *1,481,191* |

**Analysis of support costs**

| | Activities 2023 £ | Total funds 2023 £ |
|---|---|---|
| Staff costs | 34,537 | **34,537** |
| Depreciation | 63,923 | **63,923** |
| Office costs | 14,257 | **14,257** |
| Volunteer costs | 11,499 | **11,499** |
| Computer costs | 18,727 | **18,727** |
| Bank charges | 8,141 | **8,141** |
| Audit and accountancy fees | 21,414 | **21,414** |
| Rates and premises costs | 99,805 | **99,805** |
| Payroll bureau charges | 1,765 | **1,765** |
| Equipment hire | 9,154 | **9,154** |
| Bank loan interest | 648 | **648** |
| Sundry expenses | 12,188 | **12,188** |
| Bad debts recovered and cash under/over's | 1,566 | **1,566** |
| Staff training | 2,212 | **2,212** |
| Legal and professional fees | 41,894 | **41,894** |
| Repairs and maintenance | 42,831 | **42,831** |
| | 384,561 | **384,561** |

9. **Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

| | *Activities 2022 £* | *Total funds 2022 £* |
|---|---|---|
| Staff costs | *41,057* | *41,057* |
| Depreciation | *30,192* | *30,192* |
| Office costs | *13,575* | *13,575* |
| Volunteer costs | *9,198* | *9,198* |
| Computer costs | *13,505* | *13,505* |
| Bank charges | *5,749* | *5,749* |
| Audit and accountancy fees | *15,047* | *15,047* |
| Rates and premises costs | *63,548* | *63,548* |
| Payroll bureau charges | *1,665* | *1,665* |
| Equipment hire | *9,352* | *9,352* |
| Bank loan interest | *648* | *648* |
| Sundry expenses | *4,231* | *4,231* |
| Bad debts recovered and cash under/over's | *1,516* | *1,516* |
| Staff training | *2,722* | *2,722* |
| Legal and professional fees | *28,118* | *28,118* |
| Repairs and maintenance | *53,151* | *53,151* |
| | *293,274* | *293,274* |

10. **Auditors' remuneration**

| | **2023 £** | *2022 £* |
|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **14,780** | *13,285* |
| Fees payable to the Charity's auditor in respect of: | | |
| All non-audit services not included above | **3,520** | *3,520* |

## 11. Staff costs

| | Group 2023 £ | *Group 2022 £* | Charity 2023 £ | *Charity 2022 £* |
|---|---|---|---|---|
| Wages and salaries | **1,201,564** | *1,042,363* | **1,201,564** | *1,042,363* |
| Social security costs | **78,844** | *39,749* | **78,844** | *39,749* |
| Contribution to defined contribution pension schemes | **18,870** | *9,914* | **18,870** | *9,914* |
| | **1,299,278** | *1,092,026* | **1,299,278** | *1,092,026* |

The average number of persons employed by the Charity during the year was as follows:

| | Group 2023 No. | *Group 2022 No.* | Charity 2023 No. | *Charity 2022 No.* |
|---|---|---|---|---|
| Facilities and office | **11** | *10* | **11** | *10* |
| Veterinary and animal welfare | **14** | *14* | **14** | *14* |
| Community | **4** | *3* | **4** | *3* |
| Shop and tea room | **34** | *24* | **34** | *24* |
| Fundraising | **5** | *6* | **5** | *6* |
| | **68** | *57* | **68** | *57* |

No employee received remuneration amounting to more than £60,000 in either year.

Wages paid to 5 key management personnel totalled £167,003 (2022 - 6 employees, £181,734).

## 12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2022 - £NIL)*.

During the year ended 31 December 2023, expenses totalling £NIL were reimbursed or paid directly to Trustees (2022 - *£190*).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

## 13. Tangible fixed assets

Group

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 January 2023 | **1,126,807** | **37,256** | **76,299** | **131,964** | **18,513** | **1,390,839** |
| Additions | **-** | **15,102** | **25,595** | **37,965** | **10,475** | **89,137** |
| Transfers between classes | **350,000** | **-** | **-** | **-** | **-** | **350,000** |
| At 31 December 2023 | **1,476,807** | **52,358** | **101,894** | **169,929** | **28,988** | **1,829,976** |
| **Depreciation** | | | | | | |
| At 1 January 2023 | **44,986** | **22,774** | **49,073** | **88,815** | **7,870** | **213,518** |
| Charge for the year | **35,500** | **5,974** | **13,205** | **16,406** | **6,968** | **78,053** |
| At 31 December 2023 | **80,486** | **28,748** | **62,278** | **105,221** | **14,838** | **291,571** |
| **Net book value** | | | | | | |
| At 31 December 2023 | **1,396,321** | **23,610** | **39,616** | **64,708** | **14,150** | **1,538,405** |
| *At 31 December 2022* | *1,081,821* | *14,482* | *27,226* | *43,149* | *10,643* | *1,177,321* |

## 13. Tangible fixed assets (continued)

### Charity

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 January 2023 | **1,126,807** | **28,004** | **76,299** | **123,134** | **1,354,244** |
| Additions | **-** | **11,333** | **16,095** | **37,495** | **64,923** |
| Transfers between classes | **350,000** | **-** | **-** | **-** | **350,000** |
| At 31 December 2023 | **1,476,807** | **39,337** | **92,394** | **160,629** | **1,769,167** |
| **Depreciation** | | | | | |
| At 1 January 2023 | **44,986** | **16,513** | **49,073** | **85,715** | **196,287** |
| Charge for the year | **35,500** | **3,423** | **10,830** | **14,170** | **63,923** |
| At 31 December 2023 | **80,486** | **19,936** | **59,903** | **99,885** | **260,210** |
| **Net book value** | | | | | |
| At 31 December 2023 | **1,396,321** | **19,401** | **32,491** | **60,744** | **1,508,957** |
| *At 31 December 2022* | *1,081,821* | *11,491* | *27,226* | *37,419* | *1,157,957* |

Freehold property was revalued in November 2019 by William Bashall Associates to a market value of £1.415m This included land of £465,000 which is not depreciated as well as investment property of £348,333 which has been reclassified. Additions since the valuation amount to £60,140.

During the year a property changed use and was transferred out of investment property and into freehold property at its market value as agreed by the Trustees.

## 14. Investment property

**Group**

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2023 | **408,333** |
| Surplus on revaluation | **75,000** |
| Transfers between classes | **(350,000)** |
| At 31 December 2023 | **133,333** |

**Charity**

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2023 | **408,333** |
| Surplus on revaluation | **75,000** |
| Transfers between classes | **(350,000)** |
| At 31 December 2023 | **133,333** |

Freehold property is included at valuation of £348,333 plus land at estimated market value of £60,000. During the year a property changed use and was transferred out of investment property and into freehold property at its market value as agreed by the Trustees.

The valuation was made by William Bashall Associates in November 2019 on an open market value for existing use basis. It is the opinion of the Trustees that this valuation has not materially altered at the period end date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 15. Fixed asset investments

| Group | Other fixed asset investments £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 2023 | **311,204** |
| Disposals | **(36,262)** |
| Revaluations | **12,616** |
| At 31 December 2023 | **287,558** |
| **Net book value** | |
| At 31 December 2023 | **287,558** |
| *At 31 December 2022* | *311,204* |

Other fixed asset investments includes £4,971 (2022 - £23,132) of cash balances in the investment portfolio.

| Charity | Investments in subsidiary companies £ | Other fixed asset investments £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 January 2023 | **1** | **311,204** | **311,205** |
| Disposals | **-** | **(36,262)** | **(36,262)** |
| Revaluations | **-** | **12,616** | **12,616** |
| At 31 December 2023 | **1** | **287,558** | **287,559** |
| **Net book value** | | | |
| At 31 December 2023 | **1** | **287,558** | **287,559** |
| *At 31 December 2022* | *1* | *311,204* | *311,205* |

## 15. Fixed asset investments (continued)

### Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

| Name | Company number | Registered office or principal place of business | Principal activity | Class of shares | Holding | Included in consolidation |
|---|---|---|---|---|---|---|
| OTAC Trading Limited | 10502353 | Oak Tree Farm, Wetheral Shields, Carlisle, Cumbria, CA4 8JA | Charitable retailer | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss) for the year £ | Net assets £ |
|---|---|---|---|---|
| OTAC Trading Limited | **1,372,932** | **(1,294,398)** | **78,534** | 28,813 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 16. Stocks

| | Group 2023 £ | *Group 2022 £* | Charity 2023 £ | *Charity 2022 £* |
|---|---|---|---|---|
| Consumable stocks | **13,785** | *7,345* | **273** | *273* |

### 17. Debtors

| | Group 2023 £ | *Group 2022 £* | Charity 2023 £ | *Charity 2022 £* |
|---|---|---|---|---|
| **Due within one year** | | | | |
| Trade debtors | **11,258** | *5,512* | **5,135** | - |
| Amounts owed by group undertakings | **-** | - | **60,405** | - |
| Other debtors | **325,420** | *920,086* | **302,803** | *920,087* |
| Prepayments and accrued income | **23,356** | *40,590* | **12,157** | *32,586* |
| | **360,034** | *966,188* | **380,500** | *952,673* |

### 18. Creditors: Amounts falling due within one year

| | Group 2023 £ | *Group 2022 £* | Charity 2023 £ | *Charity 2022 £* |
|---|---|---|---|---|
| Bank loans | **10,077** | *9,225* | **10,077** | *9,225* |
| Trade creditors | **87,804** | *54,672* | **63,352** | *29,398* |
| Amounts owed to group undertakings | **-** | - | **-** | *12,312* |
| Other taxation and social security | **22,582** | *9,229* | **22,582** | *20,762* |
| Other creditors | **3,974** | *3,739* | **3,974** | *3,739* |
| Accruals and deferred income | **98,803** | *87,897* | **42,063** | *42,722* |
| | **223,240** | *164,762* | **142,048** | *118,158* |

## 19. Creditors: Amounts falling due after more than one year

| | Group 2023 £ | *Group 2022 £* | Charity 2023 £ | *Charity 2022 £* |
|---|---|---|---|---|
| Bank loans | **16,590** | *27,442* | **16,590** | *27,442* |

Included within the above are amounts falling due as follows:

| | Group 2023 £ | *Group 2022 £* | Charity 2023 £ | *Charity 2022 £* |
|---|---|---|---|---|
| **Between one and two years** | | | | |
| Bank loans | **10,332** | *10,077* | **10,332** | *10,077* |
| **Between two and five years** | | | | |
| Bank loans | **6,258** | *17,365* | **6,258** | *17,365* |
| **Over five years** | | | | |

The bank loan is a government backed Bounceback Loan which is unsecured and repayable over a period totalling 72 months, the first 12 months of which are interest and payment free. The final 60 months of the loan attracts interest at a fixed rate of 2.5%.

## 20. Financial instruments

| | Group 2023 £ | *Group 2022 £* | Charity 2023 £ | *Charity 2022 £* |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Measured at market value - Investment portfolio | **287,558** | *311,204* | **287,558** | *311,204* |
| Measured at amortised cost - Cash at bank and in hand | **679,788** | *49,545* | **592,278** | *24,149* |
| Amounts owed by group undertakings | **-** | *-* | **60,405** | *-* |
| | **967,346** | *360,749* | **940,241** | *335,353* |

| | Group 2023 £ | *Group 2022 £* | Charity 2023 £ | *Charity 2022 £* |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Bank loans | **(26,667)** | *(36,667)* | **(26,667)** | *(36,667)* |
| Trade creditors | **(87,804)** | *(54,672)* | **(63,352)** | *(29,398)* |
| Amounts owed to group undertakings | **-** | *-* | **-** | *(12,312)* |
| | **(114,471)** | *(91,339)* | **(90,019)** | *(78,377)* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 21. Statement of funds

**Statement of funds - current year**

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General funds | 2,436,295 | 2,362,072 | (2,223,712) | 19,986 | 87,744 | 2,682,385 |
| **Restricted funds** | | | | | | |
| Animal welfare | - | 6,750 | (6,750) | - | - | - |
| Community projects and education | - | 11,246 | (11,246) | - | - | - |
| Woodland maintenance | 21,686 | - | (1,700) | (19,986) | - | - |
| Tea room | 19,751 | - | (421) | - | - | 19,330 |
| Fencing | - | 15,298 | (13,956) | - | - | 1,342 |
| Cats welfare | 250,000 | - | (179,984) | - | - | 70,016 |
| | 291,437 | 33,294 | (214,057) | (19,986) | - | 90,688 |
| Total of funds | 2,727,732 | 2,395,366 | (2,437,769) | - | 87,744 | 2,773,073 |

21. **Statement of funds (continued)**

The Animal Welfare fund represents funds for the improvements of dogs, cats and other small animal welfare and facilities on site.

The Community Projects and Education fund represents funds for relevant staff costs, veterinary costs, purchase and maintenance of technical equipment and transport costs.

The Woodland Maintenance fund represents funds received for the purchase of fixtures and equipment for the woodland area.

The Tea Room fund represents funds received for improvements to the tea room.

The fencing fund represents funds received for the creation, maintenance and repair of our equine fencing.

The Cats welfare fund represents legacy income received which is specifically to be spent on cats welfare.

Thank you to all those who supported our small animal welfare veterinary bills throughout 2023.

We really appreciate those grant funders who chose to support our community projects and education programmes in 2023 through the funding for our Helping Paw project, the creation of education resources, supporting community neutering, veterinary costs and our Trap Neuter Return programmes, thank you.

**21. Statement of funds (continued)**

**Statement of funds - prior year**

| | *Balance at 1 January 2022* £ | *Income* £ | *Expenditure* £ | *Transfers in/out* £ | *Gains/ (Losses)* £ | *Balance at 31 December 2022* £ |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General funds | *2,382,707* | *2,023,846* | *(1,926,657)* | *26,075* | *(69,676)* | *2,436,295* |
| **Restricted funds** | | | | | | |
| Equine welfare | *16,000* | *1,000* | *(17,000)* | - | - | - |
| Animal welfare | *1,087* | *21,000* | *(22,087)* | - | - | - |
| Community projects and education | *548* | *3,470* | *(4,018)* | - | - | - |
| Woodland maintenance | - | *21,991* | *(305)* | - | - | *21,686* |
| Tea room | *20,154* | - | *(403)* | - | - | *19,751* |
| Fencing | *26,075* | - | - | *(26,075)* | - | - |
| Cats welfare | - | *250,000* | - | - | - | *250,000* |
| | *63,864* | *297,461* | *(43,813)* | *(26,075)* | - | *291,437* |
| **Total of funds** | *2,446,571* | *2,321,307* | *(1,970,470)* | - | *(69,676)* | *2,727,732* |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

## 22. Summary of funds

### Summary of funds - current year

| | Balance at 1 January 2023 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2023 £ |
|---|---|---|---|---|---|---|
| General funds | **2,436,295** | **2,362,072** | **(2,223,712)** | **19,986** | **87,744** | **2,682,385** |
| Restricted funds | **291,437** | **33,294** | **(214,057)** | **(19,986)** | **-** | **90,688** |
| | **2,727,732** | **2,395,366** | **(2,437,769)** | **-** | **87,744** | **2,773,073** |

### Summary of funds - prior year

| | *Balance at 1 January 2022 £* | *Income £* | *Expenditure £* | *Transfers in/out £* | *Gains/ (Losses) £* | *Balance at 31 December 2022 £* |
|---|---|---|---|---|---|---|
| General funds | *2,382,707* | *2,023,846* | *(1,926,657)* | *26,075* | *(69,676)* | *2,436,295* |
| Restricted funds | *63,864* | *297,461* | *(43,813)* | *(26,075)* | - | *291,437* |
| | *2,446,571* | *2,321,307* | *(1,970,470)* | - | *(69,676)* | *2,727,732* |

## 23. Analysis of net assets between funds

### Analysis of net assets between funds - current year

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ |
|---|---|---|---|
| Tangible fixed assets | 1,538,405 | - | **1,538,405** |
| Fixed asset investments | 287,558 | - | **287,558** |
| Investment property | 133,333 | - | **133,333** |
| Current assets | 962,919 | 90,688 | **1,053,607** |
| Creditors due within one year | (223,240) | - | **(223,240)** |
| Creditors due in more than one year | (16,590) | - | **(16,590)** |
| **Total** | 2,682,385 | 90,688 | **2,773,073** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 23. Analysis of net assets between funds (continued)

**Analysis of net assets between funds - prior year**

| | *Unrestricted funds 2022* £ | *Restricted funds 2022* £ | *Total funds 2022* £ |
|---|---|---|---|
| Tangible fixed assets | *1,135,884* | *41,437* | *1,177,321* |
| Fixed asset investments | *311,204* | - | *311,204* |
| Investment property | *408,333* | - | *408,333* |
| Current assets | *773,078* | *250,000* | *1,023,078* |
| Creditors due within one year | *(164,762)* | - | *(164,762)* |
| Creditors due in more than one year | *(27,442)* | - | *(27,442)* |
| **Total** | *2,436,295* | *291,437* | *2,727,732* |

### 24. Reconciliation of net movement in funds to net cash flow from operating activities

| | **Group 2023** £ | *Group 2022* £ |
|---|---|---|
| Net income/expenditure for the year (as per Statement of Financial Activities) | **(29,659)** | *281,161* |
| **Adjustments for:** | | |
| Depreciation charges | **78,053** | *39,492* |
| Interest received | **(1,533)** | *(613)* |
| Losses/(gains) on investments | **(12,616)** | *69,676* |
| Dividends, interests and rents from investments | **(6,336)** | - |
| Decrease/(increase) in stocks | **(6,440)** | *299* |
| Decrease/(increase) in debtors | **606,154** | *(737,070)* |
| Increase in creditors | **57,626** | *54,326* |
| Interest paid | **648** | - |
| **Net cash provided by/(used in) operating activities** | **685,897** | *(292,729)* |

## 25. Analysis of cash and cash equivalents

| | Group 2023 £ | *Group 2022 £* |
|---|---|---|
| Cash in hand | **100** | *975* |
| Notice deposits (less than 3 months) | **679,688** | *48,570* |
| **Total cash and cash equivalents** | **679,788** | *49,545* |

## 26. Analysis of changes in net debt

| | At 1 January 2023 £ | Cash flows £ | Other non-cash changes £ | At 31 December 2023 £ |
|---|---|---|---|---|
| Cash at bank and in hand | **49,545** | **630,243** | **-** | **679,788** |
| Debt due within 1 year | **(9,225)** | **10,000** | **(10,852)** | **(10,077)** |
| Debt due after 1 year | **(27,442)** | **-** | **10,852** | **(16,590)** |
| | **12,878** | **640,243** | **-** | **653,121** |

## 27. Contingent assets

The Charity receives income from legacies, of which they recognise in the financial statements once the amount can be reasonably determined following probate and the final estate value is known.

At the balance sheet date, the Trustees have estimated that approximately £544,958 of legacy income will be due to the Charity, however as the amounts are still relatively uncertain, only £295,146 has been recognised as accrued income as this amount has been received between the year end date and the date of signing, with the balance of this income being disclosed here as a contingent asset.

## 28. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund. Amounts totalling £1,761 (2022 - £3,739) were payable to the fund at the balance sheet date and are included in creditors.

## 29. Operating lease commitments

At 31 December 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | **Group 2023 £** | *Group 2022 £* | **Charity 2023 £** | *Charity 2022 £* |
|---|---|---|---|---|
| Not later than 1 year | **110,227** | *91,169* | **5,649** | *5,649* |
| Later than 1 year and not later than 5 years | **181,032** | *249,335* | **5,040** | *10,689* |
| | **291,259** | *340,504* | **10,689** | *16,338* |

At 31 December 2023 the Group and Charity has future minimum lease receipts due as a lessor for each of the following periods:

| | **Group 2023 £** | *Group 2022 £* |
|---|---|---|
| Not later than 1 year | - | *7,025* |
| Later than 1 year and not later than 5 years | - | - |

## 30. Related party transactions

The charitable company has taken advantage of the exemptions available under section 33 of FRS 102 which dispenses with the need to disclose related party transactions with wholly owned subsidiaries within the group.

There are no transactions with related parties outside of the group.

Trustee remuneration and expenses have been disclosed in note 12.

## 31. Controlling party

The Charity is under the control of the Trustees.

**OAK TREE ANIMALS' CHARITY**

England & Wales - Charity number 1169511

# Accounts

Registered number: 10404912
Charity numbers: 1169511 & SC048389

# OAK TREE ANIMALS' CHARITY

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

ArmstrongWatson®
Accountants, Business & Financial Advisers

**OAK TREE ANIMALS' CHARITY**
**(A company limited by guarantee)**

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**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2022

| | |
|---|---|
| **Trustees** | Ms E J C Hoyles<br>Mr M B Squires<br>Mr L A Tomlinson (resigned 12 December 2022)<br>Mr S Wells<br>Mr D M Jordan (resigned 10 February 2022)<br>Ms L Taylor (appointed 15 December 2022)<br>Ms M L Sullivan (appointed 15 January 2023)<br>Ms J M Hansel (appointed 9 May 2023) |
| **Company registered number** | 10404912 |
| **Charity registered numbers** | 1169511 and SC048389 |
| **Registered office** | Oak Tree Farm<br>Wetheral Shields<br>Carlisle<br>Cumbria<br>CA48JA |
| **Chief executive officer** | Ms C A Johnson |
| **Independent auditors** | Armstrong Watson Audit Limited<br>Chartered Accountants & Statutory Auditors<br>James Watson House<br>Montgomery Way<br>Rosehill<br>Carlisle<br>Cumbria<br>CA1 2UU |

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the audited financial statements of the Charity for the period 1 January 2022 to 31 December 2022. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

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

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

**Our Values**
Our values are integral to our everyday work. They reflect what we stand for and how we evaluate ourselves

- We are proud to be non-judgemental and compassionate in our approach to animals and the people who care for them
- We are proactive and value our work with partner organisations to find effective and evidence-based 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; and
- We strive to be innovative, flexible and responsive to meet the needs of animals and our community in changing times.

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

### Objectives and activities

### a. Objectives and aims

Working for our community; caring for animals; making a difference. Oak Tree has been helping animals for 114 years. We are passionate about animal welfare and believe that every animal matters; helping thousands of animals every year. In 2022 we were able to assist 4384 animals and their owners.

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.

2022 brought a new landscape for the UK socially, politically and economically. Having tackled the challenges of Covid, we faced political unrest, a period of inflation and financial fluctuation with the resulting impact on the cost of living affecting both our beneficiaries and ourselves as a charity.

This was exacerbated by the increase in pet ownership throughout the pandemic. In 2022 there were an estimated 10.2 million dogs in the UK (owned by 27% of UK adults) and 11.1 million cats (owned by 24% of UK adults). Of these, 24% of all owners acquired their pet in the past two years. The number of new pet owners has also increased, particularly relating to dogs where 39% of dog owners described themselves as "new" in 2022 (PAW report, 2022).

All of these factors led to a significant rise in calls from our community for our help to tackle new challenges.

We find dogs, cats and horses loving new homes, rescuing and rehabilitating them to give them the best chance of a bright future. Rehoming is intrinsically reactive - something has gone wrong. Our proactive community approach seeks to find solutions for pet owners, wherever practical and appropriate, thus keeping pets in loving homes and avoiding unnecessary stress and heartache. We work alongside our partners at foodbanks, social services, housing associations and other local organisations to help vulnerable pet owners who desperately need our help. Our 'A Helping Paw' programme provides vital short-term fostering for those who are homeless or fleeing domestic violence, helping them rebuild lives whilst knowing their pet is safe and well cared-for. We run community clinics and training classes to offer welfare advice and support and we also work with schools and community groups to educate the next generation of pet owners.

### b. Strategies for achieving objectives and aims

Our strategy "Onwards and Upwards in a Changing World 2021 - 2024", outlines four strategic priorities to allow us to achieve our aims and objectives:

1. Animal Welfare - Rehoming
2. Animal Welfare - Community
3. Education
4. Sustainability

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

**Objectives and activities (continued)**

**c. Activities undertaken to achieve objectives**

**Animal Welfare - Rehoming**
Animal welfare is at the heart of our Charity. The welfare of the cats, dogs, equines and other animals is of the utmost importance. Every animal is unique with individual needs and our staff work hard to ensure that animals in our rehoming programme benefit from an enriched environment and positive and fulfilling interactions with humans during their time with us.

We assess our animals thoroughly, providing veterinary, behavioural and training support to ensure that they have the best possible chance of finding their own loving, forever home.

**Animal Welfare - Community**
We provide support, where it is needed, at the heart of our community. As a charity, a proactive community approach is key to our success. We tailor our support to the individual animals and owners to improve and maintain animal welfare in our region.

We are committed to our development to ensure that we provide a professional, relevant, knowledgeable and approachable service that can be accessed by all within the Borders. We also provide a voice for animals regionally and nationally through our advocacy work.

**Education**
Education is key to the improvement of animal welfare. We seek to support and advise animal owners and all who come into contact with animals to prevent issues arising. From preventative healthcare and nutrition advice, training and behaviour support, to helping new owners make the right pet choices.

We offer approachable, knowledgeable and professional training to all. In addition, we provide a range of onsite programmes and work with schools and community groups to provide insight into animal welfare issues, animal interactions and offer volunteering opportunities for individuals and groups.

**Sustainability**
We are committed to ensuring our Charity has a sustainable and bright future, enabling us to deal with the animal welfare challenges that will arise in the 21st century and beyond.
Our knowledge, experience and financial resources must continue to ensure that animals and our community have our care and support during these changing times. We seek to ensure this through the development of our fundraising programme and subsidiary Trading Company.

Our commitment not only extends to our Charity's sustainability but also our wider impact on our region and our environment. In 2022, we were able to:
- establish recycling programmes with Terracycle and Recycling for Good Causes.
- develop links with local 'start-up' businesses looking to reuse and upcycle furniture.
- work with our Local Authority to support Ukranian Refugees with clothing and household items through a locally funded voucher scheme.
- Work with local NFPs to develop a local community support programme for Ukranian Refugees.
- Replace one of our vans with an electric vehicle.

**d. Volunteers**

Our volunteers make an invaluable contribution to our Charity and the animal and pet owners in our community. Without them we would be unable to achieve the scale of the work that we do. We would like to thank them for their dedication and commitment to our work and improving the lives of animals in our region.

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

### Objectives and activities (continued)

#### e. 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 at Oak Tree Farm, a temporary shelter for animals while a new home is sought for them.

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 an education service on animal welfare issues to our community including individuals, schools, nurseries, further education establishments, businesses and community groups.

When establishing strategies and deciding upon the main activities, the trustees have had regard to Charity Commission guidance on public benefit.

### Achievements and performance

#### a. Review of activities

2022 continued to provide challenges for organisations and our community. We adapted our operational plan, in line with our strategy, to focus on the Cost of Living issues our Community was facing. In practice, this involved developing our fostering capacity and behaviour and training support to cope with increased numbers, boosting our foodbank support and generating the income we needed to cope with increased demand.

In 2022, with your support, we were able to help 4384 animals who needed our assistance through our community and rehoming programmes. This is a 60% increase on 2021 (2615 animals helped). While we are proud to have supported so many animals and their owners last year we are also concerned that this reflects the increased level of need in our community.

With your support, in 2022 we were able to:
- Neuter 166 cats through our Trap Neuter Return (TNR) programme
- Provide supported neutering and vet care for those in financial difficulty for 81 animals
- Help 357 people and their pets through our behaviour and training team
- Provide short-term foster placements for 64 animals through our 'A Helping Paw' programme where their owners are fleeing domestic violence or are homeless.

as well as supporting many other animals through other community-based programmes.

Our staff and volunteer teams have worked tirelessly to make sure every case we are able to help has the right outcome for both animal and owner. We have continued to build our relationships with partners to provide pet support as needed, insight and advice, and ensure that pet owners were supported throughout this challenging period. These have included local and county councils and other local charities and organisations.

The emergence of increased numbers of canine behaviour issues has been one of the most notable outcomes from the pandemic. Dog relinquishment due to behavioural reasons was 29% of our intake requests in 2022. These appear to be linked to lack of early socialisation opportunities throughout the lockdown periods in many cases. Our Behaviour and Training Team have not only proved invaluable to our on-site dogs but also to our community, where the provision of classes and 1-2-1 sessions have enabled many pets and owners to remain together and successfully manage unwanted behaviours.

Education is key to ensure that we continue to improve animal welfare with young people, our wider community and local professionals. In 2022 our Education Team worked with 1663 adults and 2405 children, providing a range of learning opportunities and activities to promote animal welfare. Our online learning resources were downloaded over 6100 times.

**Achievements and performance (continued)**

We were also pleased to be invited to join our National Equine Welfare Council (NEWC) colleagues at Appleby Horse Fair where we had the opportunity to speak with travellers about horse care, answering questions and giving support as needed. Following this, we are now working with other NEWC members and the Human Behaviour Change for Animals Association to develop a model that helps create long-lasting results with human behaviour change following animal welfare education activities.

Our collaboration with the British Mountaineering Council (BMC) continued in 2022 to try to prevent dog-related incidents on the fells. We had the opportunity to speak at the Keswick Mountaineering Festival and authored articles for publication on the BMC website.

Collaboration is essential; we continue to work closely with our charity partners both locally and nationally. Throughout the year our Team Members spoke at a range of conferences and meetings to share knowledge and good practice. In July, we were delighted to host the first in-person Association of Dogs and Cats Homes (ADCH) meeting for rescues since 2020 and welcomed over 60 rescue professionals from across the UK and Ireland to Wetheral and Oak Tree Farm.

We were delighted to welcome so many visitors to Oak Tree Farm and our shops in 2022. Our tearoom flourished and we are grateful to HSBC for a generous grant to help us create an outdoor community tearoom area where we can run activities.

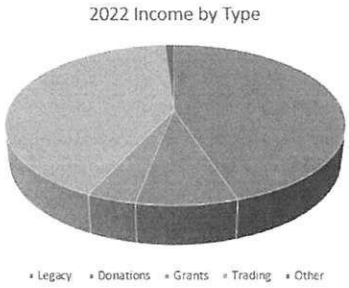
In 2022 we saw our Charity Shop network grow throughout Cumbria and Northumberland. These shops not only generate vital income for our work, but also provide access points to our services at the heart of our community. Our shops have developed networks within their community, providing opportunities for partnership working with local foodbanks, support services and directly to pet owners in need.

**Financial review**

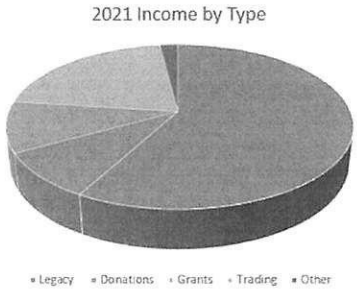
**a. Review of the year**

We continue to diversify our income streams with the development of our Trading Subsidiary and we are extremely grateful for the generous legacies left to Oak Tree. Due to our accounting policies, one extremely generous legacy payment of £650,000 from Mr Thomas Telford, received in early 2023, has been accrued in our 2022 accounts.

| 2022 TOTAL | | % OF INCOME |
|---|---|---|
| Legacy | 1,045,632.00 | 45.04 |
| Donations | 186,314.00 | 8.03 |
| Grants | 100,813.00 | 4.34 |
| Trading | 980,755.00 | 42.25 |
| Other | 7,793.00 | 0.34 |




| 2021 TOTAL | | % OF INCOME |
|---|---|---|
| Legacy | 814,594.00 | 57.8 |
| Donations | 123,638.00 | 8.77 |
| Grants | 149,947.00 | 10.64 |
| Trading | 296,805.00 | 21.06 |
| Other | 24,289.00 | 1.72 |




The key financial facts for year ended 31st December 2022 are: income: £2,321,307 expenditure: £1,970,470 (with the difference between income and expenditure being a surplus of £281,161). There was a loss on investments of £69,676 during 2022. Total unrestricted reserves at the end of 2022 were £2,436,295, with £562,003 being accessible reserves, and the remainder being tangible fixed assets, primarily our land and buildings.

By comparison, the accounts of year ending 31st December 2021 showed income of £1,409,273, and expenditure of £1,161,816 producing a surplus for the period of £290,519.

We would like to thank all of those supporters and funders who so generously supported our work this year: Box Power CIC; The David Family Foundation; The Turnpike Charitable Trust; Marjorie Coote Animal Charity Trust; The Rose Animal Welfare Trust; The Barry Green Memorial Fund; The Audrey Lamb Charitable Trust for the Welfare of Animals and Birds; Health4Horses; Mars Petcare; Postcode Neighbourhood Trust; The Arthur Camp Foundation Trust; Animal Friends Insurance; The Hobson Charity; and Sally Carter.

**b. Reserves policy**

Each year the Board of Trustees reviews the reserves of the charity in line with the Charity's investment policy, looking at income and expenditure and the overall value of reserves.

At the balance sheet date, unrestricted reserves excluding tangible fixed assets amounted to £873,207.

**c. Investments 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.

The investment policy sets out the requirement for reserves to be invested conservatively and in line with the Charity Commission guidelines with a diversified portfolio to minimise risk. An ethical policy has been adopted to avoid investments that conflict with the aims of the Charity. This policy precludes direct investment in companies involved in vivisection or drug testing on animals.

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

### Structure, governance and management

#### a. Constitution

Oak Tree Animals' Charity is registered as a charitable company limited by guarantee and was set up by a Trust deed.

#### b. Methods of appointment or election of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. Day to day management is delegated to the Chief Executive Officer, Ms C A Johnson.

#### c. Policies adopted for the induction and training of Trustees

All new trustees undergo a period of induction and training, supported by the Trustee Board and the Senior Management Team. It is vital our trustees have up-to-date relevant knowledge relating to governance and our sector, and hence this commitment to training continues throughout their period of trusteeship.

#### d. Pay policy for key management personnel

The Board of Trustees sets the remuneration of the management team in line with fair market rates, taking into consideration the specific requirements of the role. The performance and level of remuneration is reviewed annually.

#### e. Related party relationships

The Charity has a wholly owned subsidiary trading company, OTAC Trading Limited, 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.

#### f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

#### g. Decision making

The Board of Trustees meets throughout the year to make decisions regarding the direction and governance of the Charity in accordance with the governing document. No business is transacted at any general meeting unless a quorum of three members is present, with decisions taken through a vote indicated by a show of hands, with each member entitled to one vote. In the event of deadlock the Chair of the Board may cast an additional deciding vote. A resolution may also be made in writing by simple majority of the members who would have been entitled to vote on it were it held at a general meeting.

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

### Plans for future periods

2023 presents new challenges for our community. The UK is facing significant economic challenges and family budgets are stretched tightly. UK animal shelters are struggling, with over 70% of them stating they are at, or over, capacity for rehoming (ADCH, 2022). We are facing a potential pet crisis. In addition, 70% of ADCH member rescues surveyed also reported an influx of dogs with behaviour issues.

10% of our current waiting list cite the reason for relinquishment to be an increase in working hours to create income, 35% are related to the interlinked issues of relationship breakdown, changed housing situation, and financial hardship.

We believe that our charity's proactive, community approach, puts us in a strong position to work with pet owners throughout our region to find solutions to prevent animal and owner suffering and improve animal welfare. We help to keep pets in loving homes where possible and appropriate.

2023 will see the further enhancement and innovation of services to tackle the issues we are facing. These will include:

- Boost our fostering provision to tackle the significant increase in Helping Paw and relinquishment cases.
- Boost our foodbank support so we can reach more communities in our region.
- Refresh our "Pets in Rentals" programme to help increase access to pet friendly properties.
- Develop a stream of work to help tackle dog behaviour issues in families, in partnership with social services and NHS Providers.
- Review our behaviour and training support options for owners to provide online video advice, self-access resources and Zoom training services.
- Develop our suite of equine community programmes.
- Develop our ASK@ service to provide options early on before a problem becomes unmanageable.

To resource this work we will continue to diversify our income streams, develop our charity shop network further, refine our fundraising activities and improve our regular giving offer.

### Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

### Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Mr S Wells**
Trustee
Date: 1 September 2023

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY

### Opinion

We have audited the financial statements of Oak Tree Animals' Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY (CONTINUED)

### Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY (CONTINUED)

### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae

**Karen Rae FCCA (Senior statutory auditor)**
for and on behalf of
**Armstrong Watson Audit Limited**
Chartered Accountants & Statutory Auditors
Carlisle

Date: 14 September 2023

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

OAK TREE ANIMALS' CHARITY

(A company limited by guarantee)

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2022

| | Note | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | *Total funds 2021 £* |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 4 | **1,035,298** | **297,461** | **1,332,759** | *1,099,302* |
| Other trading activities | 5 | **980,755** | **-** | **980,755** | *296,805* |
| Investments | 6 | **7,793** | **-** | **7,793** | *13,166* |
| **Total income** | | **2,023,846** | **297,461** | **2,321,307** | *1,409,273* |
| **Expenditure on:** | | | | | |
| Raising funds | 7 | **489,279** | **-** | **489,279** | *257,766* |
| Charitable activities | 8 | **1,437,378** | **43,813** | **1,481,191** | *904,050* |
| **Total expenditure** | | **1,926,657** | **43,813** | **1,970,470** | *1,161,816* |
| **Net income before net (losses)/gains on investments** | | **97,189** | **253,648** | **350,837** | *247,457* |
| Net (losses)/gains on investments | | **(69,676)** | **-** | **(69,676)** | *43,062* |
| **Net income** | | **27,513** | **253,648** | **281,161** | *290,519* |
| Transfers between funds | 21 | **26,075** | **(26,075)** | **-** | - |
| **Net movement in funds** | | **53,588** | **227,573** | **281,161** | *290,519* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **2,382,707** | **63,864** | **2,446,571** | *2,156,052* |
| Net movement in funds | | **53,588** | **227,573** | **281,161** | *290,519* |
| **Total funds carried forward** | | **2,436,295** | **291,437** | **2,727,732** | *2,446,571* |

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

The notes on pages 19 to 46 form part of these financial statements.

**OAK TREE ANIMALS' CHARITY**
**(A company limited by guarantee)**
**REGISTERED NUMBER: 10404912**

## CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2022

| | Note | | 2022 £ | | *2021 £* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | **1,177,321** | | *1,125,912* |
| Investments | 15 | | **311,204** | | *458,114* |
| Investment property | 14 | | **408,333** | | *408,333* |
| | | | **1,896,858** | | *1,992,359* |
| **Current assets** | | | | | |
| Stocks | 16 | **7,345** | | *7,644* | |
| Debtors | 17 | **966,188** | | *229,117* | |
| Cash at bank and in hand | | **49,545** | | *355,329* | |
| | | **1,023,078** | | *592,090* | |
| Creditors: amounts falling due within one year | 18 | **(164,762)** | | *(101,207)* | |
| **Net current assets** | | | **858,316** | | *490,883* |
| **Total assets less current liabilities** | | | **2,755,174** | | *2,483,242* |
| Creditors: amounts falling due after more than one year | 19 | | **(27,442)** | | *(36,671)* |
| **Total net assets** | | | **2,727,732** | | *2,446,571* |
| **Charity funds** | | | | | |
| Restricted funds | 21 | | **291,437** | | *63,864* |
| Unrestricted funds | 21 | | **2,436,295** | | *2,382,707* |
| **Total funds** | | | **2,727,732** | | *2,446,571* |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Scott Wells

.....

**Mr S Wells**
Trustee
Date: 1 September 2023

The notes on pages 19 to 46 form part of these financial statements.

**OAK TREE ANIMALS' CHARITY**
**(A company limited by guarantee)**
**REGISTERED NUMBER: 10404912**

## CHARITY BALANCE SHEET
## AS AT 31 DECEMBER 2022

| | Note | | 2022 £ | | *2021 £* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | **1,157,957** | | *1,117,069* |
| Investments | 15 | | **311,205** | | *458,115* |
| Investment property | 14 | | **408,333** | | *408,333* |
| | | | **1,877,495** | | *1,983,517* |
| **Current assets** | | | | | |
| Stocks | 16 | **273** | | *120* | |
| Debtors | 17 | **952,673** | | *231,670* | |
| Cash at bank and in hand | | **24,149** | | *337,577* | |
| | | **977,095** | | *569,367* | |
| Creditors: amounts falling due within one year | 18 | **(118,158)** | | *(79,463)* | |
| **Net current assets** | | | **858,937** | | *489,904* |
| **Total assets less current liabilities** | | | **2,736,432** | | *2,473,421* |
| Creditors: amounts falling due after more than one year | 19 | | **(27,442)** | | *(36,671)* |
| **Total net assets** | | | **2,708,990** | | *2,436,750* |
| **Charity funds** | | | | | |
| Restricted funds | 21 | | **291,437** | | *63,864* |
| Unrestricted funds | 21 | | **2,417,553** | | *2,372,886* |
| **Total funds** | | | **2,708,990** | | *2,436,750* |

The Charity's net movement in funds for the year was £272,240 *(2021 - £286,139)*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Scott Wells
.....
**Mr S Wells**
Trustee
Date: 1 September 2023

The notes on pages 19 to 46 form part of these financial statements.

OAK TREE ANIMALS' CHARITY
(A company limited by guarantee)

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | 2022<br>£ | *2021*<br>*£* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities (note 24) | **(292,729)** | *83,928* |
| **Cash flows from investing activities** | | |
| Dividends, interests and rents from investments | **7,180** | *12,755* |
| Proceeds from the sale of tangible fixed assets | **-** | *100* |
| Purchase of tangible fixed assets | **(90,902)** | *(26,584)* |
| Proceeds from sale of investments | **77,234** | *237,941* |
| Purchase of investments | **-** | *(94,543)* |
| Interest received | **613** | *411* |
| **Net cash (used in)/provided by investing activities** | **(5,875)** | **130,080** |
| **Cash flows from financing activities** | | |
| Repayments of borrowing | **(10,000)** | *(3,332)* |
| Decrease/(increase) in investments | **2,820** | *(9,422)* |
| **Net cash used in financing activities** | **(7,180)** | **(12,754)** |
| **Change in cash and cash equivalents in the year** | **(305,784)** | **201,254** |
| Cash and cash equivalents at the beginning of the year | **355,329** | *154,075* |
| **Cash and cash equivalents at the end of the year** | **49,545** | *355,329* |

The notes on pages 19 to 46 form part of these financial statements

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

### 1. General information

Oak Tree Animals' Charity is a a company limited by guarantee registered in England and Wales and also a Charity registered with both the Charity Commission and the Office of the Scottish Charity Regulator. The principal activity of the Charity is the care and rehoming of animals in need as well as community education and engagement on animal welfare.

These accounts are presented in pounds sterling and are rounded to the nearest pound unless stated otherwise.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Oak Tree Animals' Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

#### 2.2 Going concern

The Trustees have reviewed the budgets and cashflow forecasts for the coming 12 months in their going concern assessment, including various scenarios where income is reduced and costs are increased. They are confident that through the management of current funds available and prudent planning, they have sufficient resources available to meet their needs for a period beyond 12 months from the point of signing.

#### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

## 2. Accounting policies (continued)

### 2.3 Income (continued)

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Donated goods, professional services and facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

As it is impractical to measure the fair value of goods donated for resale, the donated goods are recognised when they are sold.

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Wages and salaries have been apportioned in line with the activities undertaken by the employee.

### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.6 Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements.

Further details of their contribution is provided in note 7 to these financial statements and in the Trustees' report.

## 2. Accounting policies (continued)

### 2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The charity has adopted the revaluation model to revalue items of freehold property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Financial Activities and added to reserves in a separate Revaluation reserve.

Investment property rented to other group entities and accounted for under the cost model is stated at historic cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a straight line and reducing balance basis.

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Freehold property | - | 2% reducing balance |
| Plant and machinery | - | 15% reducing balance/20% straight line |
| Motor vehicles | - | 25% reducing balance |
| Fixtures and fittings | - | 15% reducing balance/25% straight line |
| Computer equipment | - | 33% reducing balance |

Depreciation is charged on a monthly basis from the calendar month following acquisition or on the bringing into use of the asset, whichever is the latter. A full month is charged in the month of disposal.

## 2. Accounting policies (continued)

### 2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

The investment portfolio held as fixed asset investments are measured at market value.

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value.

Any impairment is recognised in the year in which it occurs int he corresponding category in the Statement of Financial Activities.

### 2.10 Stocks

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

### 2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.15 Operating leases

**The Group as lessee**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

**The Group as lessor**

Rental income from operating leases is credited to the Consolidated statement of financial activities on a straight-line basis over the lease term.

### 2.16 Pensions

The Group operates a defined contribution pension scheme and the assets of this scheme are held separate to those of the Group in an independently administered fund. The pension charge represents the amounts payable by the Group to the fund in respect of the year.

### 2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## 3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

**Depreciation and impairment of fixed assets**

Depreciation rates are calculated based on the estimated useful life of each class of asset held. Assets are reviewed annually for any signs of impairment and if such impairment exists, judgement is exercised to determine if the asset is correctly valued.

The carrying amount of fixed assets is included within the tangible fixed assets note.

**Valuation of investment property**

The investment property is valued by a professional valuer periodically. In the interim periods the Trustees exercise their judgement to assess whether the valuation remains accurate before making any adjustments as deemed necessary.

**Contingent assets in relation to legacy income not yet received**

Legacy income is inherrently complex and takes a significant amount of time from the point of notification to the point funds are received by the Charity. The Trustees exercise judgement based on their past experience with legacy receipts to determine when it is likely the income will be received and how much will be received.

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

## 4. Income from donations and legacies

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|---|
| **Grants** | | | |
| Grants for general purposes | 53,352 | 21,991 | **75,343** |
| Grants for Equine projects | - | 1,000 | **1,000** |
| Grants for Animal projects | - | 21,000 | **21,000** |
| Grants for Community & Educational projects | - | 3,470 | **3,470** |
| COVID-19 related grants | - | - | **-** |
| Grants for Tea Room projects | - | - | **-** |
| | 53,352 | 47,461 | **100,813** |
| Donations | 186,314 | - | **186,314** |
| Legacies | 795,632 | 250,000 | **1,045,632** |
| **Subtotal** | 981,946 | 250,000 | **1,231,946** |
| | 1,035,298 | 297,461 | **1,332,759** |

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

### 4. Income from donations and legacies (continued)

| | *Unrestricted funds 2021 £* | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|---|
| **Grants** | | | |
| Grants for general purposes | *23,064* | - | *23,064* |
| Grants for Animal projects | - | *10,000* | *10,000* |
| Grants for Community & Educational projects | - | *46,735* | *46,735* |
| COVID-19 related grants | *49,994* | - | *49,994* |
| Grants for Tea Room projects | - | *20,154* | *20,154* |
| | *73,058* | *76,889* | *149,947* |
| Donations | *123,638* | - | *123,638* |
| Legacies | *814,594* | - | *814,594* |
| Similar incoming resources | *11,123* | - | *11,123* |
| **Subtotal** | *949,355* | - | *949,355* |
| | *1,022,413* | *76,889* | *1,099,302* |

### 5. Income from other trading activities

**Income from fundraising events**

| | **Unrestricted funds 2022 £** | **Total funds 2022 £** |
|---|---|---|
| Fundraising events, sponsorship and lottery income | 8,100 | **8,100** |

| | *Unrestricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Fundraising events, sponsorship and lottery income | *29,852* | *29,852* |

## 5. Income from other trading activities (continued)

**Income from non charitable trading activities**

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Trading income in OTAC Trading Ltd | 972,655 | **972,655** |

Trading income in 2021 in OTAC Trading Ltd amounted to £266,953 of unrestricted funds.

## 6. Investment income

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Investment income - dividends | 7,180 | **7,180** |
| Investment income - bank interest | 613 | **613** |
| | 7,793 | **7,793** |

| | *Unrestricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Investment income - dividends | *12,755* | *12,755* |
| Investment income - bank interest | *411* | *411* |
| | *13,166* | *13,166* |

## 7. Expenditure on raising funds

### Costs of raising voluntary income

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Event expenses | 7,051 | **7,051** |

| | *Unrestricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Event expenses | *3,086* | *3,086* |

Volunteers play a full part in the life of Oak Tree, supporting animal care, administration, governance and facilities functions; manning events, organising collections and undertaking a wide variety of fundraising activities.

In 2022 our volunteers gave over 36,696 hours of time equating to over £346,969 of support based on minimum wage (2021 – over 84,000 hours equating to over £798,000 of support).

### Fundraising trading expenses

| | Unrestricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|
| Direct costs in OTAC Trading Ltd | 425,257 | **425,257** |
| Administration expenses in OTAC Trading Ltd | 47,671 | **47,671** |
| Depreciation in OTAC Trading Ltd | 9,300 | **9,300** |
| | 482,228 | **482,228** |

## 7. Expenditure on raising funds (continued)

### Fundraising trading expenses (continued)

| | *Unrestricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Direct costs in OTAC Trading Ltd | *96,506* | *96,506* |
| Administration expenses in OTAC Trading Ltd | *10,681* | *10,681* |
| Salary costs relating to OTAC staff | *144,415* | *144,415* |
| Depreciation in OTAC Trading Ltd | *3,078* | *3,078* |
| | *254,680* | *254,680* |

## 8. Analysis of expenditure on charitable activities

### Summary by fund type

| | **Unrestricted funds 2022 £** | **Restricted funds 2022 £** | **Total 2022 £** |
|---|---|---|---|
| Charitable activities | 1,437,378 | 43,813 | **1,481,191** |

| | *Unrestricted funds 2021 £* | *Restricted funds 2021 £* | *Total 2021 £* |
|---|---|---|---|
| Charitable activities | *873,390* | *30,660* | *904,050* |

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

### 9. Analysis of expenditure by activities

| | Activities undertaken directly 2022 £ | Support costs 2022 £ | Total funds 2022 £ |
|---|---|---|---|
| Charitable activities | 1,187,917 | 293,274 | **1,481,191** |

| | *Activities undertaken directly 2021 £* | *Support costs 2021 £* | *Total funds 2021 £* |
|---|---|---|---|
| Charitable activities | *715,215* | *188,835* | *904,050* |

**Analysis of support costs**

| | Activities 2022 £ | Total funds 2022 £ |
|---|---|---|
| Staff costs | 41,057 | **41,057** |
| Depreciation | 30,192 | **30,192** |
| Office costs | 13,575 | **13,575** |
| Volunteer costs | 9,198 | **9,198** |
| Computer costs | 13,505 | **13,505** |
| Bank charges | 5,749 | **5,749** |
| Audit and accountancy fees | 15,047 | **15,047** |
| Rates and premises costs | 63,548 | **63,548** |
| Payroll bureau charges | 1,665 | **1,665** |
| Equipment hire | 9,352 | **9,352** |
| Bank loan interest | 648 | **648** |
| Sundry expenses | 4,231 | **4,231** |
| Bad debts recovered and cash under/over's | 1,516 | **1,516** |
| Staff training | 2,722 | **2,722** |
| Legal and professional fees | 28,118 | **28,118** |
| Repairs and maintenance | 53,151 | **53,151** |
| | 293,274 | **293,274** |

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

### 9. Analysis of expenditure by activities (continued)

**Analysis of support costs (continued)**

| | *Activities 2021 £* | *Total funds 2021 £* |
|---|---|---|
| Staff costs | *112,138* | *112,138* |
| Depreciation | *15,358* | *15,358* |
| Office costs | *7,161* | *7,161* |
| Computer costs | *13,696* | *13,696* |
| Bank charges | *3,454* | *3,454* |
| Audit and accountancy fees | *13,952* | *13,952* |
| Rates and premises costs | *7,253* | *7,253* |
| Payroll bureau charges | *11,174* | *11,174* |
| Bank loan interest | *216* | *216* |
| Sundry expenses | *895* | *895* |
| Bad debts recovered and cash under/over's | *(1,957)* | *(1,957)* |
| (Profit)/loss on disposal of fixed assets | *5,495* | *5,495* |
| | *188,835* | *188,835* |

### 10. Auditors' remuneration

| | **2022 £** | *2021 £* |
|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **13,285** | *9,635* |
| Fees payable to the Charity's auditor in respect of: | | |
| All non-audit services not included above | **3,520** | *3,200* |

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

### 11. Staff costs

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| Wages and salaries | **1,042,363** | *644,506* | **1,042,363** | *644,506* |
| Social security costs | **39,749** | *37,535* | **39,749** | *37,535* |
| Contribution to defined contribution pension schemes | **9,914** | *12,776* | **9,914** | *12,776* |
| | **1,092,026** | *694,817* | **1,092,026** | *694,817* |

The average number of persons employed by the Charity during the year was as follows:

| | Group 2022 No. | *Group 2021 No.* | Charity 2022 No. | *Charity 2021 No.* |
|---|---|---|---|---|
| Facilities and office | **10** | *11* | **10** | *11* |
| Veterinary and animal welfare | **14** | *13* | **14** | *13* |
| Community | **3** | *2* | **3** | *2* |
| Shop and tea room | **24** | *7* | **24** | *7* |
| Fundraising | **6** | *5* | **6** | *5* |
| | **57** | *38* | **57** | *38* |

No employee received remuneration amounting to more than £60,000 in either year.

Wages paid to 6 key management personnel totalled £181,734 (2021 - 6 employees, £169,502).

### 12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2021 - £NIL)*.

During the year ended 31 December 2022, expenses totalling £190 were reimbursed or paid directly to Trustees (2021 - *£434*).

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

## 13. Tangible fixed assets

**Group**

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 January 2022 | **1,099,498** | **37,256** | **49,531** | **108,987** | **4,665** | **1,299,937** |
| Additions | **27,309** | **-** | **26,768** | **22,977** | **13,848** | **90,902** |
| At 31 December 2022 | **1,126,807** | **37,256** | **76,299** | **131,964** | **18,513** | **1,390,839** |
| **Depreciation** | | | | | | |
| At 1 January 2022 | **32,511** | **18,896** | **42,228** | **77,763** | **2,627** | **174,025** |
| Charge for the year | **12,475** | **3,878** | **6,845** | **11,052** | **5,243** | **39,493** |
| At 31 December 2022 | **44,986** | **22,774** | **49,073** | **88,815** | **7,870** | **213,518** |
| **Net book value** | | | | | | |
| At 31 December 2022 | **1,081,821** | **14,482** | **27,226** | **43,149** | **10,643** | **1,177,321** |
| *At 31 December 2021* | *1,066,987* | *18,360* | *7,303* | *31,224* | *2,038* | *1,125,912* |

## 13. Tangible fixed assets (continued)

**Charity**

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 January 2022 | **1,099,498** | **28,004** | **49,531** | **106,131** | **1,283,164** |
| Additions | **27,309** | **-** | **26,768** | **17,003** | **71,080** |
| At 31 December 2022 | **1,126,807** | **28,004** | **76,299** | **123,134** | **1,354,244** |
| **Depreciation** | | | | | |
| At 1 January 2022 | **32,511** | **14,485** | **42,228** | **76,871** | **166,095** |
| Charge for the year | **12,475** | **2,028** | **6,845** | **8,844** | **30,192** |
| At 31 December 2022 | **44,986** | **16,513** | **49,073** | **85,715** | **196,287** |
| **Net book value** | | | | | |
| At 31 December 2022 | **1,081,821** | **11,491** | **27,226** | **37,419** | **1,157,957** |
| *At 31 December 2021* | *1,066,987* | *13,519* | *7,303* | *29,260* | *1,117,069* |

Freehold property was revalued in November 2019 by William Bashall Associates to a market value of £1.415m This included land of £465,000 which is not depreciated as well as investment property of £348,333 which has been reclassified. Additions since the valuation amount to £60,140.

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

### 14. Investment property

**Group**

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2022 | **408,333** |
| At 31 December 2022 | **408,333** |

**Charity**

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2022 | **408,333** |
| At 31 December 2022 | **408,333** |

Freehold property is included at valuation of £348,333 plus land at estimated market value of £60,000.

The valuation was made by William Bashall Associates in November 2019 on an open market value for existing use basis. It is the opinion of the Trustees that this valuation has not materially altered at the period end date.

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

### 15. Fixed asset investments

| Group | Other fixed asset investments £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 2022 | **458,114** |
| Disposals | **(77,234)** |
| Revaluations | **(69,676)** |
| At 31 December 2022 | **311,204** |
| **Net book value** | |
| At 31 December 2022 | **311,204** |
| *At 31 December 2021* | *458,114* |

Other fixed asset investments includes £23,132 (2021 - £9,131) of cash balances in the investment portfolio.

| Charity | Investments in subsidiary companies £ | Other fixed asset investments £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 January 2022 | **1** | **458,114** | **458,115** |
| Disposals | **-** | **(77,234)** | **(77,234)** |
| Revaluations | **-** | **(69,676)** | **(69,676)** |
| At 31 December 2022 | **1** | **311,204** | **311,205** |
| **Net book value** | | | |
| At 31 December 2022 | **1** | **311,204** | **311,205** |
| *At 31 December 2021* | *1* | *458,114* | *458,115* |

**15. Fixed asset investments (continued)**

**Principal subsidiaries**

The following was a subsidiary undertaking of the Charity:

| Name | Company number | Registered office or principal place of business | Principal activity | Class of shares | Holding | Included in consolidation |
|---|---|---|---|---|---|---|
| OTAC Trading Limited | 10502353 | Oak Tree Farm, Wetheral Shields, Carlisle, Cumbria, CA4 8JA | Charitable retailer | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss) for the year £ | Net assets £ |
|---|---|---|---|---|
| OTAC Trading Limited | **972,655** | **(938,161)** | **34,494** | **18,745** |

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

### 16. Stocks

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| Consumable stocks | **7,345** | *7,644* | **273** | *120* |

### 17. Debtors

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| **Due within one year** | | | | |
| Trade debtors | **5,512** | *6,810* | **-** | *-* |
| Amounts owed by group undertakings | **-** | *-* | **-** | *6,114* |
| Other debtors | **920,086** | *188,736* | **920,087** | *187,233* |
| Prepayments and accrued income | **40,590** | *33,571* | **32,586** | *38,323* |
| | **966,188** | *229,117* | **952,673** | *231,670* |

### 18. Creditors: Amounts falling due within one year

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| Bank loans | **9,225** | *9,996* | **9,225** | *9,996* |
| Trade creditors | **54,672** | *37,431* | **29,398** | *21,192* |
| Amounts owed to group undertakings | **-** | *-* | **12,312** | *-* |
| Other taxation and social security | **9,229** | *12,391* | **20,762** | *12,391* |
| Other creditors | **3,739** | *2,130* | **3,739** | *2,130* |
| Accruals and deferred income | **87,897** | *39,259* | **42,722** | *33,754* |
| | **164,762** | *101,207* | **118,158** | *79,463* |

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

## 19. Creditors: Amounts falling due after more than one year

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| Bank loans | **27,442** | *36,671* | **27,442** | *36,671* |

Included within the above are amounts falling due as follows:

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| **Between one and two years** | | | | |
| Bank loans | **10,077** | *9,996* | **10,077** | *9,996* |
| **Between two and five years** | | | | |
| Bank loans | **17,365** | *26,675* | **17,365** | *26,675* |
| **Over five years** | | | | |

The bank loan is a government backed Bounceback Loan which is unsecured and repayable over a period totalling 72 months, the first 12 months of which are interest and payment free. The final 60 months of the loan attracts interest at a fixed rate of 2.5%.

## 20. Financial instruments

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Measured at market value - Investment portfolio | **311,204** | *458,114* | **311,204** | *458,114* |
| Measured at amortised cost - Cash at bank and in hand | **49,545** | *355,329* | **24,149** | *337,577* |
| Amounts owed by group undertakings | **-** | *-* | **-** | *6,114* |
| | **360,749** | *813,443* | **335,353** | *801,805* |

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Bank loans | **(36,667)** | *(46,667)* | **(36,667)** | *(46,667)* |
| Trade creditors | **(54,672)** | *(37,431)* | **(29,398)** | *(21,192)* |
| Amounts owed to group undertakings | **-** | *-* | **(12,312)** | *-* |
| | **(91,339)** | *(84,098)* | **(78,377)** | *(67,859)* |

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

### 21. Statement of funds

**Statement of funds - current year**

| | Balance at 1 January 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General funds | 2,382,707 | 2,023,846 | (1,926,657) | 26,075 | (69,676) | 2,436,295 |
| **Restricted funds** | | | | | | |
| Equine welfare | 16,000 | 1,000 | (17,000) | - | - | - |
| Animal welfare | 1,087 | 21,000 | (22,087) | - | - | - |
| Community projects and education | 548 | 3,470 | (4,018) | - | - | - |
| Woodland maintenance | - | 21,991 | (305) | - | - | 21,686 |
| Tea room | 20,154 | - | (403) | - | - | 19,751 |
| Electric van | 26,075 | - | - | (26,075) | - | - |
| Cats welfare | - | 250,000 | - | - | - | 250,000 |
| | 63,864 | 297,461 | (43,813) | (26,075) | - | 291,437 |
| **Total of funds** | 2,446,571 | 2,321,307 | (1,970,470) | - | (69,676) | 2,727,732 |

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

### 21. Statement of funds (continued)

The Equine Welfare fund represents funds to repair fencing and field shelters and to pay relevant staff costs.

The Animal Welfare fund represents funds for the improvements of dogs, cats and other small animal welfare and facilities on site.

The Community Projects and Education fund represents funds for relevant staff costs, purchase and maintenance of technical equipment and transport costs.

The Tea Room fund represents funds received for improvements to the tea room. This was spent in full in the year ended 31 December 2022 and depreciation on the assets will be allocated to the fund in the coming years.

The Electric Van fund represents funds received to purchase an electric van. This van was purchased in the year ended 31 December 2022 fulfilling the restriction therefore the fund balance has been transferred to unrestricted funds.

The woodland maintenance fund represents funds received for the purchase of fixtures and equipment. £3,120 has been spent on assets in the year ended 31 December 2022 with the respective depreciation being allocated against the fund. The remainder of the fund is available to spend.

The Cats welfare fund represents legacy income received which is specifically to be spent on cats welfare.

Thank you to all those who supported our small animal welfare veterinary bills throughout 2022.

We really appreciate those grant funders who chose to support our community projects and education programmes in 2022 through the funding for a community van, our Helping Paw project, the creation of education resources and signage, supporting community neutering and veterinary costs and our Trap Neuter Return programmes, thank you.

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

21. **Statement of funds (continued)**

**Statement of funds - prior year**

| | *Balance at 1 January 2021* £ | *Income* £ | *Expenditure* £ | *Transfers in/out* £ | *Gains/ (Losses)* £ | *Balance at 31 December 2021* £ |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General funds | *2,138,417* | *1,332,384* | *(1,131,156)* | - | *43,062* | *2,382,707* |
| **Restricted funds** | | | | | | |
| Equine welfare | *16,000* | - | - | - | - | *16,000* |
| Animal welfare | *1,087* | *30,660* | *(30,660)* | - | - | *1,087* |
| Community projects and education | *548* | - | - | - | - | *548* |
| Woodland maintenance | - | - | - | - | - | - |
| Tea room | - | *20,154* | - | - | - | *20,154* |
| Electric van | - | *26,075* | - | - | - | *26,075* |
| Cats welfare | - | - | - | - | - | - |
| | *17,635* | *76,889* | *(30,660)* | - | - | *63,864* |
| **Total of funds** | *2,156,052* | *1,409,273* | *(1,161,816)* | - | *43,062* | *2,446,571* |

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

### 22. Summary of funds

**Summary of funds - current year**

| | Balance at 1 January 2022 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 December 2022 £ |
|---|---|---|---|---|---|---|
| General funds | **2,382,707** | **2,023,846** | **(1,926,657)** | **26,075** | **(69,676)** | **2,436,295** |
| Restricted funds | **63,864** | **297,461** | **(43,813)** | **(26,075)** | **-** | **291,437** |
| | **2,446,571** | **2,321,307** | **(1,970,470)** | **-** | **(69,676)** | **2,727,732** |

**Summary of funds - prior year**

| | *Balance at 1 January 2021 £* | *Income £* | *Expenditure £* | *Gains/ (Losses) £* | *Balance at 31 December 2021 £* |
|---|---|---|---|---|---|
| General funds | *2,138,417* | *1,332,384* | *(1,131,156)* | *43,062* | *2,382,707* |
| Restricted funds | *17,635* | *76,889* | *(30,660)* | *-* | *63,864* |
| | *2,156,052* | *1,409,273* | *(1,161,816)* | *43,062* | *2,446,571* |

### 23. Analysis of net assets between funds

**Analysis of net assets between funds - current year**

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ |
|---|---|---|---|
| Tangible fixed assets | 1,135,884 | 41,437 | **1,177,321** |
| Fixed asset investments | 311,204 | - | **311,204** |
| Investment property | 408,333 | - | **408,333** |
| Current assets | 773,078 | 250,000 | **1,023,078** |
| Creditors due within one year | (164,762) | - | **(164,762)** |
| Creditors due in more than one year | (27,442) | - | **(27,442)** |
| **Total** | 2,436,295 | 291,437 | **2,727,732** |

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

### 23. Analysis of net assets between funds (continued)

**Analysis of net assets between funds - prior year**

| | *Unrestricted funds 2021 £* | *Restricted funds 2021 £* | *Total funds 2021 £* |
|---|---|---|---|
| Tangible fixed assets | *1,125,912* | - | *1,125,912* |
| Fixed asset investments | *458,114* | - | *458,114* |
| Investment property | *408,333* | - | *408,333* |
| Current assets | *528,226* | *63,864* | *592,090* |
| Creditors due within one year | *(101,207)* | - | *(101,207)* |
| Creditors due in more than one year | *(36,671)* | - | *(36,671)* |
| **Total** | *2,382,707* | *63,864* | *2,446,571* |

### 24. Reconciliation of net movement in funds to net cash flow from operating activities

| | **Group 2022 £** | *Group 2021 £* |
|---|---|---|
| Net income for the year (as per Statement of Financial Activities) | **281,161** | *290,519* |
| **Adjustments for:** | | |
| Depreciation charges | **39,492** | *18,435* |
| Interest received | **(613)** | *(411)* |
| Losses/(gains) on investments | **69,676** | *(43,062)* |
| Loss on the sale of fixed assets | **-** | *5,495* |
| Decrease in stocks | **299** | *4,820* |
| Increase in debtors | **(737,070)** | *(188,021)* |
| Increase/(decrease) in creditors | **54,326** | *(3,847)* |
| **Net cash provided by/(used in) operating activities** | **(292,729)** | *83,928* |

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

## 25. Analysis of cash and cash equivalents

| | Group 2022 £ | *Group 2021 £* |
|---|---|---|
| Cash in hand | **975** | *3,301* |
| Notice deposits (less than 3 months) | **48,570** | *352,028* |
| **Total cash and cash equivalents** | **49,545** | *355,329* |

## 26. Analysis of changes in net debt

| | At 1 January 2022 £ | Cash flows £ | At 31 December 2022 £ |
|---|---|---|---|
| Cash at bank and in hand | **355,329** | **(305,784)** | **49,545** |
| Debt due within 1 year | **(9,996)** | **771** | **(9,225)** |
| Debt due after 1 year | **(36,671)** | **9,229** | **(27,442)** |
| | **308,662** | **(295,784)** | **12,878** |

## 27. Contingent assets

The Charity receives income from legacies, of which they recognise in the financial statements once the amount can be reasonably determined following probate and the final estate value is known.

At the balance sheet date, the Trustees have estimated that approximately £1,567,599 of legacy income will be due to the Charity, however as the amounts are still relatively uncertain, only £919,265 has been recognised as accrued income as this amount has been received between the year end date and the date of signing, with the balance of this income being disclosed here as a contingent asset.

## 28. Capital commitments

| | Group 2022 £ | *Group 2021 £* | Charity 2022 £ | *Charity 2021 £* |
|---|---|---|---|---|
| **Contracted for but not provided in these financial statements** | | | | |
| Acquisition of tangible fixed assets | **-** | *10,272* | **-** | *10,272* |

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

### 29. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund. Amounts totalling £3,739 (2021 - £2,130) were payable to the fund at the balance sheet date and are included in creditors.

### 30. Operating lease commitments

At 31 December 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | **Group 2022 £** | *Group 2021 £* | **Charity 2022 £** | *Charity 2021 £* |
|---|---|---|---|---|
| Not later than 1 year | **91,169** | *67,032* | **5,649** | *5,649* |
| Later than 1 year and not later than 5 years | **249,335** | *135,087* | **10,689** | *16,337* |
| | **340,504** | *202,119* | **16,338** | *21,986* |

At 31 December 2021 the Group and the Charity has future minimum lease receipts due as a lessor for each of the following periods:

| | **Group 2022 £** | *Group 2021 £* |
|---|---|---|
| Not later than 1 year | **7,025** | *7,500* |
| Later than 1 year and not later than 5 years | **-** | *7,025* |

### 31. Related party transactions

The charitable company has taken advantage of the exemptions available under section 33 of FRS 102 which dispenses with the need to disclose related party transactions with wholly owned subsidiaries within the group.

There are no transactions with related parties outside of the group.

Trustee remuneration and expenses have been disclosed in note 12.

### 32. Controlling party

The Charity is under the control of the Trustees.

**OAK TREE ANIMALS' CHARITY**

England & Wales - Charity number 1169511

# Accounts

# OAK TREE ANIMALS' CHARITY

**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

ArmstrongWatson®

Accountants, Business & Financial Advisers

**OAK TREE ANIMALS' CHARITY**
**(A company limited by guarantee)**

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**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2021

| | |
|---|---|
| **Trustees** | Ms E J C Hoyles (appointed 27 February 2021)<br>Mr M B Squires<br>Mr L A Tomlinson (appointed 11 November 2021)<br>Mr S Wells<br>Mr P T Armer (resigned 17 May 2021)<br>Ms R L Griffiths (resigned 6 May 2021)<br>Mr D M Jordan (resigned 10 February 2022) |
| **Company registered number** | 10404912 |
| **Charity registered numbers** | 1169511 and SC048389 |
| **Registered office** | Oak Tree Farm<br>Wetheral Shields<br>Carlisle<br>Cumbria<br>CA48JA |
| **Chief executive officer** | Ms C A Johnson |
| **Independent auditors** | Armstrong Watson Audit Limited<br>Chartered Accountants & Statutory Auditors<br>Fairview House<br>Victoria Place<br>Carlisle<br>Cumbria<br>CA1 1HP |

**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**

# TRUSTEES' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the year 1 January 2021 to 31 December 2021. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

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

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

**Our Values**
Our values are integral to our everyday work. They reflect what we stand for and how we evaluate ourselves

- We are proud to be non-judgemental and compassionate in our approach to animals and the people who care for them
- We are proactive and value our work with partner organisations to find effective and evidence-based 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; and
- We strive to be innovative, flexible and responsive to meet the needs of animals and our community in changing times.

**Objectives and activities**

**a. Objectives and aims**

Working for our community; caring for animals; making a difference. Oak Tree has been helping animals for 113 years. We are passionate about animal welfare and believe that every animal matters, helping hundreds of animals every year. In 2021 we were able to assist 2,615 animals and their owners.

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.

We find dogs, cats and horses loving new homes, rescuing and rehabilitating them to give them the best chance of a bright future. Rehoming is intrinsically reactive, something has gone wrong. Our proactive community approach seeks to find solutions for pet owners, wherever practical and appropriate, keeping pets in loving homes and avoiding unnecessary stress and heartache. We work alongside our partners at foodbanks, social services, housing associations and other local organisations to help vulnerable pet owners who desperately need our help. Our 'A Helping Paw' programme provides vital short-term fostering for those who are homeless or fleeing domestic violence, helping them rebuild lives while knowing their pet is safe and well cared-for. We run community clinics and training classes to offer welfare advice and support and we also work with schools and community groups to educate the next generation of pet owners.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2021

### Objectives and activities (continued)

### b. Strategies for achieving objectives and aims

Our 2021 Strategy "Onwards and Upwards in a Changing World 2021 - 2024", outlines four strategic priorities to allow us to achieve our aims and objectives:

1. Animal Welfare - Rehoming
2. Animal Welfare - Community
3. Education
4. Sustainability

### c. Activities undertaken to achieve objectives

**Animal Welfare - Rehoming**
Animal welfare is at the heart of our Charity. The welfare of the cats, dogs, equines and other animals is of the utmost importance. Every animal is unique with individual needs and our staff work hard to ensure that animals in our rehoming programme benefit from an enriched environment and positive and fulfilling interactions with humans during their time with us.

We assess our animals thoroughly, providing veterinary, behavioural and training support to ensure that they have the best possible chance of finding their own loving, forever home.

**Animal Welfare - Community**
We provide support, where it is needed, at the heart of our community. As a charity, a proactive community approach is key to our success. We tailor our support to the individual animals and owners to improve and maintain animal welfare in our region.

We are committed to our development to ensure that we provide a professional, relevant, knowledgeable and approachable service that can be accessed by all within the Borders. We also provide a voice for animals regionally and nationally through our advocacy work.

**Education**
Education is key to the improvement of animal welfare. We seek to support and advise animal owners and all who come into contact with animals to prevent issues arising. From preventative healthcare and nutrition advice, training and behaviour support, to helping new owners make the right pet choices.

We offer approachable, knowledgeable and professional training to all. In addition, we provide a range of onsite programmes and work with schools and community groups to provide insight into animal welfare issues, animal interactions and offer volunteering opportunities for individuals and groups.

**Sustainability**
We are committed to ensuring our Charity has a sustainable and bright future, enabling us to deal with the animal welfare challenges that will arise in the 21st century and beyond.

Our knowledge, experience and financial resources must continue to ensure that animals and our community have our care and support during these changing times. We seek to ensure this through the development of our fundraising programme and subsidiary Trading Company.

Our commitment not only extends to our Charity's sustainability but also our wider impact on our region and our environment. During the first part of our strategy period, we will review our activities and identify viable opportunities to improve our environmental impact. These will then be implemented.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2021

### Objectives and activities (continued)

### d. Volunteers

Our volunteers make an invaluable contribution to our Charity and the animal and pet owners in our community. Without them we would be unable to achieve the scale of the work that we do. We would like to thank them for their dedication and commitment to our work and improving the lives of animals in our region.

### e. Main activities undertaken to further the Charity's purposes for the public benefit

When establishing strategies and deciding upon the main activities, 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 at Oak Tree Farm, a temporary shelter for animals while a new home is sought for them. 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 an education service on animal welfare issues to our community including individuals, schools, nurseries, further education establishments, businesses and community groups.

### Achievements and performance

### a. Review of activities

2021 continued to provide challenges for organisations and our community. The launch of our new Strategy "Onwards and Upwards in a Changing World" provided us with the foundations to tackle these challenges, innovate and identify opportunities to support our community.

In 2021, with your support, we were able to help 2,615 animals who needed our assistance through our community and rehoming programmes.

The pandemic created many new challenges for pet owners, including the emergence of new dog behaviour issues on a wider scale and financial hardship.

With your support, in 2021 we were able to:
- Neuter 160 cats through our Trap Neuter Return (TNR) programme
- Provide supported neutering for those in financial difficulty for 120 animals
- Help 1,522 people and their pets through our community projects
- Provide short-term foster placements for 52 animals through our 'A Helping Paw' programme where their owners are fleeing domestic violence or are homeless.

as well as supporting many other animals through other community-based programmes.

Our staff and volunteer teams have worked tirelessly to make sure every case we are able to help has the right outcome for both animal and owner. We have continued to build our relationships with partners to provide pet support as needed, insight and advice, and ensure that pet owners were supported throughout this challenging period. These have included local and county councils, Cumbria Community Resilience Group and other local charities and organisations.

The emergence of increased numbers of canine behaviour issues has been one of the most notable outcomes from the pandemic. Relinquishment requests due to behavioural reasons in dogs aged 6-18 months have increased. These appear to be linked to lack of early socialisation opportunities throughout the lockdown periods in many cases. Our Behaviour and Training Team have not only proved invaluable to our internal dogs but also to our community, where the provision of classes and 1-2-1 sessions have enabled many pets and owners to remain together and successfully manage the unwanted behaviours.

**Achievements and performance (continued)**

Unfortunately, we have also seen a rise in number of cases needing support from our 'A Helping Paw' programme, providing temporary pet fostering during periods of homelessness or when fleeing domestic abuse. Our Community Team are essential to our proactive approach to animal welfare and we were delighted to receive three significant grants towards their work. Our sincerest thanks to the Petplan Charitable Trust and Pets at Home Foundation for funding towards a new electric van for this team; and to Box Power for funding towards a new Community Officer to help expand the reach of this team and their impact in our community. The Ostacchini Family Charitable Trust continue to generously support our Community Education programme too.

Following the extended Lockdown Period, during which our site, tearoom and Charity shops were closed, we were delighted to be able to welcome visitors back in April and May to our various facilities. Our first in-person event was our postponed Open Day in August, which raised over £2,700, and we were overwhelmed to see so many of our supporters coming out in support. Indeed, the level of generosity demonstrated by our ever-growing network of supporters throughout the pandemic, was truly remarkable - especially given the hardship faced by everyone during that time. On behalf of our whole team, we would like to thank you for your support, generosity and kind words throughout this challenging period.

We were extremely grateful to be chosen as one of the Mayor of Carlisle's chosen charities in 2021. Cllr Pamela Birks, Mayor of Carlisle, and the Mayor's Fundraising Committee carried out some wonderful city-wide fundraising activities to raise money for Oak Tree. We are so grateful to Cllr Birks for her ongoing support of Oak Tree throughout her mayoral tenure.

**Financial review**

**a. Review of the year**

Whilst generous legacies received from donors of £814,594 (2020: £316,592) have boosted overall income to over £1.4m, it is important to note that our aim to continue diversifying other income streams continues to be paramount to securing more reliable and sustainable net income to fund future capital investment and funding growth. To this end, income from other sources increased by 29.4% during the year.

As illustrated in the table below, a concerted effort in growing income from trading activities resulted in a year-on-year increase of 167%, with income from trading activities representing 49.7% of other income in 2021 compared to 24.2% in 2020. The majority of this increase was generated from the targeted growth in the number of charity shops in the group retail portfolio.

Given that 2021 began with a three-month lockdown due to the ongoing coronavirus pandemic, the growth in other income surpassed expectations.

Other (non-legacy) income

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | £ | % | £ | % |
| Donations (including Gift Aid) | 123,638 | 20.9% | 133,502 | 29.2% |
| Grants | 149,947 | 25.3% | 197,471 | 43.1% |
| Trading activities | 296,805 | 49.7% | 110,906 | 24.2% |
| Investments & other income | 24,289 | 4.1% | 15,975 | 3.5% |
| | 594,679 | | 457,854 | |

The net increase in funds during the year of £290,519 has more than compensated for the net decrease in 2020 of £208,768. The variance of £499,287 between 2020 and 2021 is due mainly to the increase in income from legacies of £498,002.

With the continued drive to diversify income streams, cash generated in other income streams can then be used to fund day-to-day operations, which will free up cash generated from legacies to be used to help fund future capital investment projects.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2021

### a. Review of the year (continued)

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 Animal Friends Pet Insurance Experts, The Rose Animal Welfare Trust, The Beryl Evetts and Robert Luff Animal Welfare Trust, Petplan Charitable Trust, The National Lottery Community Fund, The Ostacchini Family Charitable Trust, Pets at Home Foundation and HSBC UK Bank PLC among many others, for their generous support this year which has allowed us to achieve so much.

### b. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity 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.

### c. Reserves policy

Each year the Board of Trustees reviews the reserves of the charity in line with the Charity's investment policy, looking at income and expenditure and the overall value of reserves.

At the balance sheet date, unrestricted reserves excluding tangible fixed assets amounted to £848,462.

### d. Investments 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.

The investment policy sets out the requirement for reserves to be invested conservatively and in line with the Charity Commission guidelines with a diversified portfolio to minimise risk. An ethical policy has been adopted to avoid investments that conflict with the aims of the Charity. This policy precludes direct investment in companies involved in vivisection or drug testing on animals.

### Structure, governance and management

### a. Constitution

Oak Tree Animals' Charity is registered as a charitable company limited by guarantee and was set up by a Trust deed.

### b. Methods of appointment or election of Trustees

The management of the Group and the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. Day to day management is delegated to the Chief Executive Officer, Ms C A Johnson.

### c. Policies adopted for the induction and training of Trustees

All new trustees undergo a period of induction and training, supported by the Trustee Board and the Senior Management Team. It is vital our trustees have up-to-date relevant knowledge relating to governance and our sector, and hence this commitment to training continues throughout their period of trusteeship.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2021

### Structure, governance and management (continued)

#### d. Pay policy for key management personnel

The Board of Trustees sets the remuneration of the management team in line with fair market rates, taking into consideration the specific requirements of the role. The performance and level of remuneration is reviewed annually.

#### e. Related party relationships

The Charity has a wholly owned subsidiary trading company, OTAC Trading Limited, 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.

#### f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Charity are exposed, in particular those related to the operations and finances of the Group and the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

#### g. Decision making

The Board of Trustees meets throughout the year to make decisions regarding the direction and governance of the Charity in accordance with the governing document. No business is transacted at any general meeting unless a quorum of three members is present, with decisions taken through a vote indicated by a show of hands, with each member entitled to one vote. In the event of deadlock the Chair of the Board may cast an additional deciding vote. A resolution may also be made in writing by simple majority of the members who would have been entitled to vote on it were it held at a general meeting.

### Plans for future periods

2022, continues to provide an unsettled outlook financially, politically and within animal welfare. Dog relinquishment continues to rise, many with behaviour issues, and more owners are facing financial uncertainty. Our community programmes will continue to adapt to these situations and provide support wherever possible, however, we continue expect the demand for relinquishment to remain high as household finances become squeezed.

Rescue centre licensing in England and Wales remains a priority within the proposed legislations. It is anticipated that this will come into force in the next two years. We believe that this continues to be essential to ensure animal welfare for those most vulnerable animals, and will continue to advocate for this legislation to come into effect.

We remain committed to helping animals and owners throughout our region, responding to situations as they arise and ensuring we adapt our work in this ever changing world. The launch of our new strategy in 2021 provides us with the opportunity to tackle the immediate challenges we face as an organisation, allowing us not merely to survive but instead to thrive; supporting animals and their owners in a shifting landscape by providing high quality, relevant community and rehoming programmes.

Recession is likely in 2022 with inflation increasing and energy prices soaring. In order to address this, we will continue to diversify our income streams and, in particular build on our Trading and E-Commerce capacity to enable us to fund our work. We will expand our Charity Shop network which will not only provide us with an additional reliable income stream, but also serve as local community hubs where those in need can access our services.

## TRUSTEES' REPORT (CONTINUED)
## FOR THE YEAR ENDED 31 DECEMBER 2021

### Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

### Auditors

The auditors, Armstrong Watson Audit Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

**Mr S Wells**
Trustee
Date: 1st September 2022

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY

### Opinion

We have audited the financial statements of Oak Tree Animals' Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY (CONTINUED)

### Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY (CONTINUED)

### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the not for profit sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE ANIMALS' CHARITY (CONTINUED)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Auditors' report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Rae

**Karen Rae FCCA (Senior statutory auditor)**
for and on behalf of
**Armstrong Watson Audit Limited**
Chartered Accountants & Statutory Auditors
Carlisle

Date: 23/9/22

Armstrong Watson Audit Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**OAK TREE ANIMALS' CHARITY**
**(A company limited by guarantee)**

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
## FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ | *As restated Total funds 2020 £* |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 4 | **1,022,413** | **76,889** | **1,099,302** | *649,860* |
| Other trading activities | 5 | **296,805** | **-** | **296,805** | *110,906* |
| Investments | 6 | **13,166** | **-** | **13,166** | *13,680* |
| **Total income** | | **1,332,384** | **76,889** | **1,409,273** | *774,446* |
| **Expenditure on:** | | | | | |
| Raising funds | 7 | **257,766** | **-** | **257,766** | *93,713* |
| Charitable activities | 8 | **873,390** | **30,660** | **904,050** | *906,067* |
| **Total expenditure** | | **1,131,156** | **30,660** | **1,161,816** | *999,780* |
| **Net income/(expenditure) before net gains on investments** | | **201,228** | **46,229** | **247,457** | *(225,334)* |
| Net gains on investments | | **43,062** | **-** | **43,062** | *16,566* |
| **Net movement in funds** | | **244,290** | **46,229** | **290,519** | *(208,768)* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **2,138,417** | **17,635** | **2,156,052** | *2,364,820* |
| Net movement in funds | | **244,290** | **46,229** | **290,519** | *(208,768)* |
| **Total funds carried forward** | | **2,382,707** | **63,864** | **2,446,571** | *2,156,052* |

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

The notes on pages 17 to 42 form part of these financial statements.

**OAK TREE ANIMALS' CHARITY**
**(A company limited by guarantee)**
**REGISTERED NUMBER: 10404912**

## CONSOLIDATED BALANCE SHEET
## AS AT 31 DECEMBER 2021

| | Note | | 2021 £ | | *As restated 2020 £* |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | **1,125,912** | | *1,123,359* |
| Investments | 15 | | **458,114** | | *558,450* |
| Investment property | 14 | | **408,333** | | *408,333* |
| | | | **1,992,359** | | *2,090,142* |
| **Current assets** | | | | | |
| Stocks | 16 | **7,644** | | *12,464* | |
| Debtors | 17 | **229,117** | | *41,096* | |
| Cash at bank and in hand | | **355,329** | | *154,075* | |
| | | **592,090** | | *207,635* | |
| Creditors: amounts falling due within one year | 18 | **(101,207)** | | *(94,860)* | |
| **Net current assets** | | | **490,883** | | *112,775* |
| **Total assets less current liabilities** | | | **2,483,242** | | *2,202,917* |
| Creditors: amounts falling due after more than one year | 19 | | **(36,671)** | | *(46,865)* |
| **Net assets excluding pension asset** | | | **2,446,571** | | *2,156,052* |
| **Total net assets** | | | **2,446,571** | | *2,156,052* |
| **Charity funds** | | | | | |
| Restricted funds | 21 | | **63,864** | | *17,635* |
| Unrestricted funds | 21 | | **2,382,707** | | *2,138,417* |
| **Total funds** | | | **2,446,571** | | *2,156,052* |

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

**Mr S Wells**
Trustee
Date: 1st September 2022

**OAK TREE ANIMALS' CHARITY**

**(A company limited by guarantee)**
**REGISTERED NUMBER: 10404912**

## CHARITY BALANCE SHEET
## AS AT 31 DECEMBER 2021

| | Note | | 2021 £ | | As restated 2020 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 13 | | **1,117,069** | | *1,117,918* |
| Investments | 15 | | **458,115** | | *558,451* |
| Investment property | 14 | | **408,333** | | *408,333* |
| | | | **1,983,517** | | *2,084,702* |
| **Current assets** | | | | | |
| Stocks | 16 | **120** | | *3,084* | |
| Debtors | 17 | **231,670** | | *54,784* | |
| Cash at bank and in hand | | **337,577** | | *142,548* | |
| | | **569,367** | | *200,416* | |
| Creditors: amounts falling due within one year | 18 | **(79,463)** | | *(87,642)* | |
| **Net current assets** | | | **489,904** | | *112,774* |
| **Total assets less current liabilities** | | | **2,473,421** | | *2,197,476* |
| Creditors: amounts falling due after more than one year | 19 | | **(36,671)** | | *(46,865)* |
| **Net assets excluding pension asset** | | | **2,436,750** | | *2,150,611* |
| **Total net assets** | | | **2,436,750** | | *2,150,611* |
| **Charity funds** | | | | | |
| Restricted funds | 21 | | **63,864** | | *17,635* |
| Unrestricted funds | 21 | | **2,372,886** | | *2,132,976* |
| **Total funds** | | | **2,436,750** | | *2,150,611* |

The Charity's net movement in funds for the year was £286,139 *(2020 - £(141,216))*.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

**Mr S Wells**
Trustee
Date: 1st September 2022

**OAK TREE ANIMALS' CHARITY**
**(A company limited by guarantee)**

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

| | 2021 £ | *2020 £* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities (note 24) | **83,928** | *(235,338)* |
| **Cash flows from investing activities** | | |
| Dividends, interests and rents from investments | **12,755** | - |
| Proceeds from the sale of tangible fixed assets | **100** | - |
| Purchase of tangible fixed assets | **(26,584)** | *(23,774)* |
| Proceeds from sale of investments | **237,941** | *239,765* |
| Purchase of investments | **(94,543)** | *(69,531)* |
| Interest received | **411** | *988* |
| **Net cash provided by investing activities** | **130,080** | **147,448** |
| **Cash flows from financing activities** | | |
| Cash inflows from new borrowing | **-** | *50,000* |
| Repayments of borrowing | **(3,332)** | - |
| Decrease/(increase) in investments | **(9,422)** | *(6,927)* |
| **Net cash (used in)/provided by financing activities** | **(12,754)** | **43,073** |
| **Change in cash and cash equivalents in the year** | **201,254** | **(44,817)** |
| Cash and cash equivalents at the beginning of the year | **154,075** | *198,892* |
| **Cash and cash equivalents at the end of the year** | **355,329** | *154,075* |

The notes on pages 17 to 42 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 1. General information

Oak Tree Animals' Charity is a a company limited by guarantee registered in England and Wales and also a Charity registered with both the Charity Commission and the Office of the Scottish Charity Regulator. The principal activity of the Charity is the care and rehoming of animals in need as well as community education and engagement on animal welfare.

These accounts are presented in pounds sterling and are rounded to the nearest pound unless stated otherwise.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Oak Tree Animals' Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

#### 2.2 Going concern

The Trustees have reviewed the budgets and cashflow forecasts for the coming 12 months in their going concern assessment, including various scenarios where income is reduced and costs are increased. They are confident that through the management of current funds available and prudent planning, they have sufficient resources available to meet their needs for a period beyond 12 months from the point of signing.

#### 2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs

## 2. Accounting policies (continued)

### 2.3 Income (continued)

before income is received, the income is accrued.

Donated goods, professional services and facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

As it is impractical to measure the fair value of goods donated for resale, the donated goods are recognised when they are sold.

### 2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Wages and salaries have been apportioned in line with the activities undertaken by the employee.

### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.6 Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements.

Further details of their contribution is provided in note 7 to these financial statements and in the Trustees' report.

### 2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## 2. Accounting policies (continued)

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The charity has adopted the revaluation model to revalue items of freehold property whose fair value can be measured reliably. The revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Financial Activities and added to reserves in a separate Revaluation reserve.

Investment property rented to other group entities and accounted for under the cost model is stated at historic cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date the Charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a straight line and reducing balance basis.

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Freehold property | - | 2% reducing balance |
| Plant and machinery | - | 15% reducing balance/20% straight line |
| Motor vehicles | - | 25% reducing balance |
| Fixtures and fittings | - | 15% reducing balance/25% straight line |
| Computer equipment | - | 33% reducing balance |

Depreciation is charged on a monthly basis from the calendar month following acquisition or on the bringing into use of the asset, whichever is the latter. A full month is charged in the month of disposal.

## 2. Accounting policies (continued)

### 2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

The investment portfolio held as fixed asset investments are measured at market value.

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value.

Any impairment is recognised in the year in which it occurs int he corresponding category in the Statement of Financial Activities.

### 2.10 Stocks

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

### 2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

## 2. Accounting policies (continued)

### 2.15 Operating leases

**The Group as lessee**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight-line basis over the lease term.

**The Group as lessor**

Rental income from operating leases is credited to the Consolidated statement of financial activities on a straight-line basis over the lease term.

### 2.16 Pensions

The Group operates a defined contribution pension scheme and the assets of this scheme are held separate to those of the Group in an independently administered fund. The pension charge represents the amounts payable by the Group to the fund in respect of the year.

### 2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

## 3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

- Depreciation and impairment of fixed assets
- Valuation of investment property
- Contingent assets in relation to legacy income not yet received

The carrying amount of fixed assets is included within the tangible fixed assets note.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 4. Income from donations and legacies

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|---|
| **Grants** | | | |
| Grants for general purposes | 23,064 | - | **23,064** |
| Grants for Animal projects | - | 10,000 | **10,000** |
| Grants for Community & Educational projects | - | 46,735 | **46,735** |
| COVID-19 related grants | 49,994 | - | **49,994** |
| Grants for Tea Room projects | - | 20,154 | **20,154** |
| | 73,058 | 76,889 | **149,947** |
| Donations | 123,638 | - | **123,638** |
| Legacies | 814,594 | - | **814,594** |
| Similar incoming resources | 11,123 | - | **11,123** |
| **Subtotal** | 949,355 | - | **949,355** |
| | 1,022,413 | 76,889 | **1,099,302** |

## 4. Income from donations and legacies (continued)

| | *Unrestricted funds 2020 £* | *Restricted funds 2020 £* | *Total funds 2020 £* |
|---|---|---|---|
| **Grants** | | | |
| Grants for general purposes | *12,729* | - | *12,729* |
| Grants for Equine projects | - | *26,500* | *26,500* |
| Grants for Animal projects | *15,500* | *4,750* | *20,250* |
| Grants for Community & Educational projects | *500* | *44,872* | *45,372* |
| COVID-19 related grants | *92,620* | - | *92,620* |
| | *121,349* | *76,122* | *197,471* |
| Donations | *133,502* | - | *133,502* |
| Legacies | *316,592* | - | *316,592* |
| Similar incoming resources | *2,295* | - | *2,295* |
| **Subtotal** | *452,389* | - | *452,389* |
| | *573,738* | *76,122* | *649,860* |

## 5. Income from other trading activities

### Income from fundraising events

| | **Unrestricted funds 2021 £** | **Total funds 2021 £** |
|---|---|---|
| Fundraising events, sponsorship and lottery income | 29,852 | **29,852** |

| | *Unrestricted funds 2020 £* | *Total funds 2020 £* |
|---|---|---|
| Fundraising events, sponsorship and lottery income | *31,783* | *31,783* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 5. Income from other trading activities (continued)

**Income from non charitable trading activities**

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|
| Trading income in OTAC Trading Ltd | 266,953 | **266,953** |

Trading income in 2020 in OTAC Trading Ltd amounted to £79,123 of unrestricted funds.

### 6. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|
| Investment income - dividends | 12,755 | **12,755** |
| Investment income - bank interest | 411 | **411** |
| | 13,166 | **13,166** |

| | *Unrestricted funds 2020 £* | *Total funds 2020 £* |
|---|---|---|
| Investment income - dividends | *12,713* | *12,713* |
| Investment income - bank interest | *967* | *967* |
| | *13,680* | *13,680* |

## 7. Expenditure on raising funds

### Costs of raising voluntary income

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|
| Event expenses | 3,086 | **3,086** |

| | *Unrestricted funds 2020 £* | *Restricted funds 2020 £* | *Total funds 2020 £* |
|---|---|---|---|
| Event expenses | *250* | - | *250* |
| OTAC Trading and support costs | *87,484* | *5,979* | *93,463* |
| | *87,734* | *5,979* | *93,713* |

Volunteers play a full part in the life of Oak Tree, supporting animal care, administration, governance and facilities functions; manning events, organising collections and undertaking a wide variety of fundraising activities.

In 2021 our volunteers gave over 84,000 hours of time equating to over £798,000 of support based on minimum wage (2020 – over 10,000 hours equating to over £87,200 of support).

### Fundraising trading expenses

| | Unrestricted funds 2021 £ | Total funds 2021 £ |
|---|---|---|
| Direct costs in OTAC Trading Ltd | 68,674 | **68,674** |
| Administration expenses in OTAC Trading Ltd | 38,513 | **38,513** |
| Salary costs relating to OTAC staff | 144,415 | **144,415** |
| Depreciation in OTAC Trading Ltd | 3,078 | **3,078** |
| | 254,680 | **254,680** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 8. Analysis of expenditure on charitable activities

**Summary by fund type**

| | **Unrestricted funds 2021 £** | **Restricted funds 2021 £** | **Total 2021 £** |
|---|---|---|---|
| Charitable activities | 873,390 | 30,660 | **904,050** |

| | *Unrestricted funds 2020 £* | *Restricted funds 2020 £* | *Total 2020 £* |
|---|---|---|---|
| Charitable activities | *855,970* | *50,097* | *906,067* |

### 9. Analysis of expenditure by activities

| | **Activities undertaken directly 2021 £** | **Support costs 2021 £** | **Total funds 2021 £** |
|---|---|---|---|
| Charitable activities | 715,215 | 188,835 | **904,050** |

| | *Activities undertaken directly 2020 £* | *Support costs 2020 £* | *Total funds 2020 £* |
|---|---|---|---|
| Charitable activities | *127,530* | *778,537* | *906,067* |

## 9. Analysis of expenditure by activities (continued)

### Analysis of support costs

| | Activities 2021 £ | Total funds 2021 £ |
|---|---|---|
| Staff costs | 112,138 | **112,138** |
| Depreciation | 15,358 | **15,358** |
| Office costs | 7,161 | **7,161** |
| Computer costs | 13,696 | **13,696** |
| Bank charges | 3,454 | **3,454** |
| Audit and accountancy fees | 13,952 | **13,952** |
| Rates and premises costs | 7,253 | **7,253** |
| Payroll bureau charges | 11,174 | **11,174** |
| Bank loan interest | 216 | **216** |
| Sundry expenses | 895 | **895** |
| Bad debts recovered and cash under/over's | (1,957) | **(1,957)** |
| (Profit)/loss on disposal of fixed assets | 5,495 | **5,495** |
| | 188,835 | **188,835** |

The Trustees in the year have assessed the allocation between Direct and Support costs to more accurately reflect the charitable activity undertaken by the Group.

The 2020 comparatives remain unchanged other than for adjustments referred to in note 32.

| | *Activities 2020 £* | *Total funds 2020 £* |
|---|---|---|
| Staff costs | *615,513* | *615,513* |
| Depreciation | *48,990* | *48,990* |
| Audit and accountancy fees | *12,425* | *12,425* |
| Other support costs | *101,609* | *101,609* |
| | *778,537* | *778,537* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 10. Auditors' remuneration

| | 2021 £ | *2020 £* |
|---|---|---|
| Fees payable to the Charity's auditor for the audit of the Charity's annual accounts | **9,635** | *12,425* |
| Fees payable to the Charity's auditor in respect of: | | |
| All non-audit services not included above | **3,200** | - |

### 11. Staff costs

| | Group 2021 £ | *Group 2020 £* | Charity 2021 £ | *Charity 2020 £* |
|---|---|---|---|---|
| Wages and salaries | **644,506** | *513,844* | **644,506** | *575,346* |
| Social security costs | **37,535** | *17,891* | **37,535** | *17,891* |
| Contribution to defined contribution pension schemes | **12,776** | *22,276* | **12,776** | *22,276* |
| | **694,817** | *554,011* | **694,817** | *615,513* |

The average number of persons employed by the Charity during the year was as follows:

| | Group 2021 No. | Charity 2021 No. |
|---|---|---|
| Facilities and office | **11** | **11** |
| Veterinary and animal welfare | **13** | **13** |
| Community | **2** | **2** |
| Shop and tea room | **7** | **7** |
| Fundraising | **5** | **5** |
| | **38** | **38** |

No employee received remuneration amounting to more than £60,000 in either year.

The wages and salaries figure includes £nil (2020 - £1,047) of expenses relating to staff uniforms, equipment and training.

Wages paid to 6 key management personnel totalled £169,502 (2020 - 6 employees, £146,932).

### 12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 December 2021, no Trustee expenses have been incurred *(2020 - £NIL)*.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 13. Tangible fixed assets

**Group**

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---|---|---|---|---|---|---|
| **Cost or valuation** | | | | | | |
| At 1 January 2021 | 1,085,606 | 34,271 | 49,151 | 209,437 | 3,670 | 1,382,135 |
| Additions | 13,892 | 2,985 | 380 | 8,332 | 995 | 26,584 |
| Disposals | - | - | - | (108,782) | - | (108,782 |
| At 31 December 2021 | 1,099,498 | 37,256 | 49,531 | 108,987 | 4,665 | 1,299,937 |
| **Depreciation** | | | | | | |
| At 1 January 2021 | 28,489 | 14,660 | 39,920 | 173,593 | 2,114 | 258,776 |
| Charge for the year | 4,022 | 4,236 | 2,308 | 7,356 | 513 | 18,435 |
| On disposals | - | - | - | (103,186) | - | (103,186 |
| At 31 December 2021 | 32,511 | 18,896 | 42,228 | 77,763 | 2,627 | 174,025 |
| **Net book value** | | | | | | |
| At 31 December 2021 | 1,066,987 | 18,360 | 7,303 | 31,224 | 2,038 | 1,125,912 |

## 13. Tangible fixed assets (continued)

**Charity**

| | Freehold property £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 January 2021 | **1,085,606** | **28,004** | **49,151** | **209,081** | **1,371,842** |
| Additions | **13,892** | **-** | **380** | **5,832** | **20,104** |
| Disposals | **-** | **-** | **-** | **(108,782)** | **(108,782** |
| At 31 December 2021 | **1,099,498** | **28,004** | **49,531** | **106,131** | **1,283,164** |
| **Depreciation** | | | | | |
| At 1 January 2021 | **28,489** | **12,100** | **39,920** | **173,415** | **253,924** |
| Charge for the year | **4,022** | **2,385** | **2,308** | **6,642** | **15,357** |
| On disposals | **-** | **-** | **-** | **(103,186)** | **(103,186** |
| At 31 December 2021 | **32,511** | **14,485** | **42,228** | **76,871** | **166,095** |
| **Net book value** | | | | | |
| At 31 December 2021 | **1,066,987** | **13,519** | **7,303** | **29,260** | **1,117,069** |

Freehold property was revalued in November 2019 by William Bashall Associates to a market value of £1.415m This included land of £465,000 which is not depreciated as well as investment property of £348,333 which has now been reclassified. Additions since the valuation amount to £32,831.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 14. Investment property

**Group**

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2021 | **408,333** |
| At 31 December 2021 | **408,333** |

**Charity**

| | Freehold investment property £ |
|---|---|
| **Valuation** | |
| At 1 January 2021 | **408,333** |
| At 31 December 2021 | **408,333** |

Freehold property is included at valuation of £348,333 plus land at estimated market value of £60,000.

The valuation was made by William Bashall Associates in November 2019 on an open market value for existing use basis. It is the opinion of the Trustees that this valuation has not materially altered at the period end date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 15. Fixed asset investments

| Group | Other fixed asset investments £ |
|---|---|
| **Cost or valuation** | |
| At 1 January 2021 | **558,450** |
| Additions | **94,543** |
| Disposals | **(237,941)** |
| Revaluations | **43,062** |
| At 31 December 2021 | **458,114** |
| **Net book value** | |
| At 31 December 2021 | **458,114** |
| *At 31 December 2020* | *558,450* |

Other fixed asset investments includes £9,131 (2020 - £20,762) of cash balances in the investment portfolio.

| Charity | Investments in subsidiary companies £ | Other fixed asset investments £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 January 2021 | **1** | **558,450** | **558,451** |
| Additions | **-** | **94,543** | **94,543** |
| Disposals | **-** | **(237,941)** | **(237,941)** |
| Revaluations | **-** | **43,062** | **43,062** |
| At 31 December 2021 | **1** | **458,114** | **458,115** |
| **Net book value** | | | |
| At 31 December 2021 | **1** | **458,114** | **458,115** |
| *At 31 December 2020* | *1* | *558,450* | *558,451* |

## 15. Fixed asset investments (continued)

### Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

| Name | Company number | Registered office or principal place of business | Principal activity | Class of shares | Holding | Included in consolidation |
|---|---|---|---|---|---|---|
| OTAC Trading Limited | 10502353 | Oak Tree Farm, Wetheral Shields, Carlisle, Cumbria, CA4 8JA | Charitable retailer | Ordinary | 100% | Yes |

The financial results of the subsidiary for the year were:

| Name | Income £ | Expenditure £ | Profit/(Loss) for the year £ | Net assets £ |
|---|---|---|---|---|
| OTAC Trading Limited | **275,157** | **(254,679)** | **20,478** | **9,823** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 16. Stocks

| | Group 2021 £ | *Group 2020 £* | Charity 2021 £ | *Charity 2020 £* |
|---|---|---|---|---|
| Consumable stocks | **7,644** | *12,464* | **120** | *3,084* |

### 17. Debtors

| | Group 2021 £ | *Group As restated 2020 £* | Charity 2021 £ | *Charity As restated 2020 £* |
|---|---|---|---|---|
| **Due within one year** | | | | |
| Trade debtors | **6,810** | *6,425* | **-** | *-* |
| Amounts owed by group undertakings | **-** | *-* | **6,114** | *22,025* |
| Other debtors | **188,736** | *12,379* | **187,233** | *10,711* |
| Prepayments and accrued income | **33,571** | *22,292* | **38,323** | *22,048* |
| | **229,117** | *41,096* | **231,670** | *54,784* |

### 18. Creditors: Amounts falling due within one year

| | Group 2021 £ | *Group As restated 2020 £* | Charity 2021 £ | *Charity As restated 2020 £* |
|---|---|---|---|---|
| Bank loans | **9,996** | *3,135* | **9,996** | *3,135* |
| Trade creditors | **37,431** | *30,587* | **21,192** | *29,973* |
| Other taxation and social security | **12,391** | *9,730* | **12,391** | *9,730* |
| Other creditors | **2,130** | *-* | **2,130** | *-* |
| Accruals and deferred income | **39,259** | *51,408* | **33,754** | *44,804* |
| | **101,207** | *94,860* | **79,463** | *87,642* |

## 19. Creditors: Amounts falling due after more than one year

| | Group 2021 £ | *Group 2020 £* | Charity 2021 £ | *Charity 2020 £* |
|---|---|---|---|---|
| Bank loans | **36,671** | *46,865* | **36,671** | *46,865* |

Included within the above are amounts falling due as follows:

| | Group 2021 £ | *Group 2020 £* | Charity 2021 £ | *Charity 2020 £* |
|---|---|---|---|---|
| **Between one and two years** | | | | |
| Bank loans | **9,996** | *9,575* | **9,996** | *9,575* |
| **Between two and five years** | | | | |
| Bank loans | **26,675** | *30,255* | **26,675** | *30,255* |
| **Over five years** | | | | |
| Bank loans | **-** | *7,035* | **-** | *7,035* |

The bank loan is a government backed Bounceback Loan which is unsecured and repayable over a period totalling 72 months, the first 12 months of which are interest and payment free. The final 60 months of the loan attracts interest at a fixed rate of 2.5%.

## 20. Financial instruments

| | Group 2021 £ | *Group As restated 2020 £* | Charity 2021 £ | *Charity As restated 2020 £* |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Measured at market value - Investment portfolio | **458,114** | *558,450* | **458,114** | *558,450* |
| Measured at amortised cost - Cash at bank and in hand | **355,329** | *154,075* | **337,577** | *156,231* |
| Amounts owed by group undertakings | **-** | *-* | **6,114** | *22,025* |
| | **813,443** | *712,525* | **801,805** | *736,706* |

| | Group 2021 £ | *Group 2020 £* | Charity 2021 £ | *Charity 2020 £* |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Bank loans | **(46,667)** | *(50,000)* | **(46,667)** | *(50,000)* |
| Trade creditors | **(37,431)** | *(30,587)* | **(21,192)** | *(29,973)* |
| | **(84,098)** | *(80,587)* | **(67,859)** | *(79,973)* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 21. Statement of funds

**Statement of funds - current year**

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Gains/ (Losses) £ | Balance at 31 December 2021 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General funds | **2,138,417** | **1,332,384** | **(1,131,156)** | **43,062** | **2,382,707** |
| **Restricted funds** | | | | | |
| Equine welfare | **16,000** | **-** | **-** | **-** | **16,000** |
| Animal welfare | **1,087** | **30,660** | **(30,660)** | **-** | **1,087** |
| Community projects and education | **548** | **-** | **-** | **-** | **548** |
| Tea room | **-** | **20,154** | **-** | **-** | **20,154** |
| Electric van | **-** | **26,075** | **-** | **-** | **26,075** |
| | **17,635** | **76,889** | **(30,660)** | **-** | **63,864** |
| **Total of funds** | **2,156,052** | **1,409,273** | **(1,161,816)** | **43,062** | **2,446,571** |

The Equine Welfare fund represents funds to repair fencing and field shelters and to pay relevant staff costs.

The Animal Welfare fund represents funds for the improvements of dogs, cats and other small animal facilities on site.

The Community Projects and Education fund represents funds for relevant staff costs, purchase and maintenance of technical equipment and transport costs.

The Tea Room fund represents funds received for improvements to the tea room.

The Electric Van fund represents funds received to purchase an electric van.

We are extremely grateful to those funders who supported our equine veterinary bills and fencing repairs this year.

Thank you to all those who supported our small animal welfare veterinary bills throughout 2021.

We really appreciate those grant funders who chose to support our community projects and education programmes in our 2021 through the funding for a community van, our Helping Paw project, the creation of education resources and signage, supporting community neutering and veterinary costs and our Trap Neuter Return programmes, thank you.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 21. Statement of funds (continued)

**Statement of funds - prior year**

| | *Balance at 1 January 2020* £ | *Income* £ | *Expenditure* £ | *Transfers in/out* £ | *Gains/ (Losses)* £ | *Balance at 31 December 2020* £ |
|---|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | | |
| General fund | *2,322,259* | *698,324* | *(943,704)* | *44,972* | *16,566* | *2,138,417* |
| **Restricted funds** | | | | | | |
| Sensory garden | *6,150* | - | - | *(6,150)* | - | - |
| Equine welfare | *13,307* | *26,500* | *(8,307)* | *(15,500)* | - | *16,000* |
| Animal welfare | *12,245* | *4,750* | *(11,525)* | *(4,383)* | - | *1,087* |
| Community projects and education | *10,306* | *44,872* | *(35,691)* | *(18,939)* | - | *548* |
| Woodland maintenance | *553* | - | *(553)* | - | - | - |
| | *42,561* | *76,122* | *(56,076)* | *(44,972)* | - | *17,635* |
| **Total of funds** | *2,364,820* | *774,446* | *(999,780)* | - | *16,566* | *2,156,052* |

### 22. Summary of funds

**Summary of funds - current year**

| | **Balance at 1 January 2021** £ | **Income** £ | **Expenditure** £ | **Gains/ (Losses)** £ | **Balance at 31 December 2021** £ |
|---|---|---|---|---|---|
| General funds | **2,138,417** | **1,332,384** | **(1,131,156)** | **43,062** | **2,382,707** |
| Restricted funds | **17,635** | **76,889** | **(30,660)** | **-** | **63,864** |
| | **2,156,052** | **1,409,273** | **(1,161,816)** | **43,062** | **2,446,571** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 22. Summary of funds (continued)

**Summary of funds - prior year**

| | *Balance at 1 January 2020* £ | *Income* £ | *Expenditure* £ | *Transfers in/out* £ | *Gains/ (Losses)* £ | *Balance at 31 December 2020* £ |
|---|---|---|---|---|---|---|
| General funds | *2,322,259* | *698,324* | *(943,704)* | *44,972* | *16,566* | *2,138,417* |
| Restricted funds | *42,561* | *76,122* | *(56,076)* | *(44,972)* | - | *17,635* |
| | *2,364,820* | *774,446* | *(999,780)* | - | *16,566* | *2,156,052* |

### 23. Analysis of net assets between funds

**Analysis of net assets between funds - current year**

| | **Unrestricted funds 2021** £ | **Restricted funds 2021** £ | **Total funds 2021** £ |
|---|---|---|---|
| Tangible fixed assets | 1,125,912 | - | **1,125,912** |
| Fixed asset investments | 458,114 | - | **458,114** |
| Investment property | 408,333 | - | **408,333** |
| Current assets | 528,226 | 63,864 | **592,090** |
| Creditors due within one year | (101,207) | - | **(101,207)** |
| Creditors due in more than one year | (36,671) | - | **(36,671)** |
| **Total** | 2,382,707 | 63,864 | **2,446,571** |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 23. Analysis of net assets between funds (continued)

**Analysis of net assets between funds - prior year**

| | *Unrestricted funds 2020 £* | *Restricted funds 2020 £* | *Total funds 2020 £* |
|---|---|---|---|
| Tangible fixed assets | *1,123,359* | - | *1,123,359* |
| Fixed asset investments | *558,450* | - | *558,450* |
| Investment property | *408,333* | - | *408,333* |
| Current assets | *190,000* | *17,635* | *207,635* |
| Creditors due within one year | *(94,860)* | - | *(94,860)* |
| Creditors due in more than one year | *(46,865)* | - | *(46,865)* |
| **Total** | *2,138,417* | *17,635* | *2,156,052* |

### 24. Reconciliation of net movement in funds to net cash flow from operating activities

| | **Group 2021 £** | *Group 2020 £* |
|---|---|---|
| Net income/expenditure for the year (as per Statement of Financial Activities) | **290,519** | *(208,768)* |
| **Adjustments for:** | | |
| Depreciation charges | **18,435** | *48,994* |
| Interest received | **(411)** | *(988)* |
| Gains on investments | **(43,062)** | *(16,566)* |
| Loss on the sale of fixed assets | **5,495** | - |
| Decrease in stocks | **4,820** | *1,555* |
| Decrease/(increase) in debtors | **(188,021)** | *3,359* |
| Decrease in creditors | **(3,847)** | *(2,924)* |
| Land gifted by way of legacy | **-** | *(60,000)* |
| **Net cash provided by/(used in) operating activities** | **83,928** | *(235,338)* |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 25. Analysis of cash and cash equivalents

| | Group 2021 £ | *Group 2020 £* |
|---|---|---|
| Cash in hand | **3,301** | *100* |
| Notice deposits (less than 3 months) | **352,028** | *153,975* |
| **Total cash and cash equivalents** | **355,329** | *154,075* |

### 26. Analysis of changes in net debt

| | At 1 January 2021 £ | Cash flows £ | At 31 December 2021 £ |
|---|---|---|---|
| Cash at bank and in hand | **154,075** | **201,254** | **355,329** |
| Debt due within 1 year | **(3,135)** | **(6,861)** | **(9,996)** |
| Debt due after 1 year | **(46,865)** | **10,194** | **(36,671)** |
| | **104,075** | **204,587** | **308,662** |

### 27. Contingent assets

The Charity receives income from legacies, of which they recognise in the financial statements once the amount can be reasonably determined following probate and the final estate value is known.

At the balance sheet date, the Trustees have estimated that approximately £213,269 of legacy income will be due to the Charity, however as the amounts are still relatively uncertain, only £175,357 has been recognised as accrued income as this amount has been received between the year end date and the date of signing, with the balance of this income being disclosed here as a contingent asset.

### 28. Capital commitments

| | Group 2021 £ | *Group 2020 £* | Charity 2021 £ | *Charity 2020 £* |
|---|---|---|---|---|
| **Contracted for but not provided in these financial statements** | | | | |
| Acquisition of tangible fixed assets | **10,272** | - | **10,272** | - |

## 29. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund. Amounts totalling £2,130 (2020 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

## 30. Operating lease commitments

At 31 December 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | **Group 2021 £** | *Group 2020 £* | **Charity 2021 £** | *Charity 2020 £* |
|---|---|---|---|---|
| Not later than 1 year | **67,032** | *463* | **5,649** | - |
| Later than 1 year and not later than 5 years | **135,087** | - | **16,337** | - |
| | **202,119** | *463* | **21,986** | - |

At 31 December 2021 the Group and the Charity has future minimum lease receipts due as a lessor for each of the following periods:

| | **Group 2021 £** | *Group 2020 £* |
|---|---|---|
| Not later than 1 year | **7,500** | *5,400* |
| Later than 1 year and not later than 5 years | **7,025** | *10,850* |

## 31. Related party transactions

The charitable company has taken advantage of the exemptions available under section 33 of FRS 102 which dispenses with the need to disclose related party transactions with wholly owned subsidiaries within the group.

There are no transactions with related parties outside of the group.

Trustee remuneration and expenses have been disclosed in note 12.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 32. Prior year adjustment/restatement of comparatives

The comparative figures have been adjusted to reflect land gifted by way of legacy not previously included. Investment property and legacy income have both been increased by £60,000 to reflect this.

The comparative figures have also been restated for a management charge to the Charity's subsidiary, OTAC Trading Ltd of £61,502. The consolidated figures remain the same however the Charity figures reflect an increase in debtors and income for this amount.

Investment property totalling £348,333 previously shown as part of tangible fixed assets has been reclassified to be shown as investment property. This has had no impact on the previously reported results for the year.

### 33. Controlling party

The Charity is under the control of the Trustees.

**OAK TREE ANIMALS' CHARITY**

England & Wales - Charity number 1169511

# Accounts

**REGISTERED COMPANY NUMBER: 10404912 (England and Wales)**
**REGISTERED CHARITY NUMBER: 1169511/SC048389**

# Group Report of the Trustees and

# Consolidated Audited Financial Statements for the Year Ended 31 December 2020

# for

# OAK TREE ANIMALS' CHARITY

**OAK TREE ANIMALS' CHARITY**

## Contents of the Financial Statements
## FOR THE YEAR ENDED 31 DECEMBER 2020


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**OAK TREE ANIMALS' CHARITY (REGISTERED NUMBER: 10404912)**

**Report of the Trustees**
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees who are also directors of the charity and group for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of 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).

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

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

**Our Mission**
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**
Our values are integral to our everyday work. They reflect what we stand for and how we evaluate ourselves.

- We are proud to be non-judgemental and compassionate in our approach to animals and the people who care for them
- We are proactive and value our work with partner organisations to find effective and evidence-based 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; and
- We strive to be innovative, flexible and responsive to meet the needs of animals and our community in changing times

**Review of 2020**
2020 was such a challenging year for everyone, and we, like so many, are grateful to see a glimmer of light at the end of the tunnel in 2021. Our proactive, community-based approach is unique in our region and during this pandemic we have been needed by our community perhaps more than ever before.

The report of the Trustees provides detailed explanations of the activities of the charity and the results achieved in 2020.

## Report of the Trustees
## FOR THE YEAR ENDED 31 DECEMBER 2020

### OBJECTIVES AND ACTIVITIES

#### Objectives and aims

Founded in 1909 by Francis Cox, who campaigned for better working conditions for pit ponies and other working horses, the charity has now grown to provide a home for horses, donkeys, goats and cattle. It's also a safe haven for abandoned or relinquished dogs & cats who are awaiting new homes through our Adoption Programme.

Every year the charity takes in hundreds if animals and gives them a second chance. We rehabilitate the animals, but we also prepare potential owners for life with a new companion and offer the help and support necessary for both animal and owner to love a long and happy life together.

Our work in the community means that loving pet owners can find the information and resources they need to keep their animals happy, healthy and in good homes. We also support unowned animals such as feral cats through our Trap Neuter Return (TNR) programme.

We use educational campaigns to raise awareness and change perceptions, with the aim of providing a brighter future for animals in all walks of society. Our Team speaks to schools, community groups and colleges about animal welfare and offers advice on working with animals in the future, investing in our younger generations and providing them with the knowledge they need to help animals in the long term.

#### Strategies for achieving aims and objectives

Within our "Onwards and Upwards in a Changing World 2021-2024" Strategy, we have four strategic priorities:

1. Animal Welfare - Rehoming
2. Animal Welfare - Community
3. Education
4. Sustainability

## Report of the Trustees
## FOR THE YEAR ENDED 31 DECEMBER 2020

### OBJECTIVES AND ACTIVITIES
### Significant activities
### Animal Welfare - Rehoming
Animal welfare is at the heart of our charity. The welfare of the cats, dogs, equines and other animals is of the utmost importance. Every animal is unique with individual needs and our staff work hard to ensure that animals in our rehoming programme benefit from an enriched environment and positive and fulfilling interactions with humans during their time with us.

We assess our animals thoroughly, providing veterinary, behavioural and training support to ensure that they have the best possible chance of finding their own loving, forever home.

### Animal Welfare - Community
We provide support, where it is needed, at the heart of our community. As a charity, a proactive community approach is key to our success. We tailor our support to the individual animals and owners to improve and maintain animal welfare in our region.

We are committed to our development to ensure that we provide a professional, relevant, knowledgeable and approachable service that can be accessed by all within the Borders. We also provide a voice for animals through our advocacy work.

### Education
Education is key to the improvement of animal welfare. We seek to support and advise animal owners and all who come into contact with animals to prevent issues arising. From preventative healthcare and nutrition advice, training and behaviour support to helping new owners make the right pet choices.

We offer approachable, knowledgeable and professional training to all. In addition, we work on site and with schools and community groups to provide insight into animal welfare issues, animal interactions and offer volunteering opportunities.

### Sustainability
We are committed to ensuring our charity has a sustainable and bright future enabling us to deal with the animal welfare challenges that will arise in the 21st century and beyond.

Our knowledge, experience and financial resources must continue to ensure that animals and our community have our care and support during these changing times.

### 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.

When establishing strategies and deciding upon the main activities, the trustees have had regard to Charity Commission guidance on public benefit.

### Volunteers
Our 216 volunteers are essential to ensure we are able to carry out our work in our community. They are absolutely invaluable. We would like to thank them for their dedication and commitment to our work and improving the lives of animals in our region.

## Report of the Trustees
## FOR THE YEAR ENDED 31 DECEMBER 2020

### ACHIEVEMENT AND PERFORMANCE

In 2020, with your support, we were able to help 2807 animals who needed our help through our community and rehoming programmes.

Some animals needed to find loving new homes with others needing to find their way back home when lost. Owners required help with a wide variety of issues, many exacerbated by the pandemic. With your support we were able to:

- Neuter 215 cats through our Trap Neuter Return (TNR) Programme
- Provide supported neutering for those in financial difficulty for 47 animals
- Provide over 1600 emergency pet food parcels during the pandemic
- Provide short-term foster placements for 37 animals through our Helping Paw Programme; and
- Support many other animals through other community-based programmes.

The pandemic saw many challenges but also brought us opportunities to develop our support programmes to meet the needs of our community. We were able to extend our 'A Helping Paw' Programme to not only support those who are homeless or fleeing domestic violence, but also key workers who lived alone with no nearby support and were concerned about their options should they become hospitalised. There were also those who were providing palliative care or going through end-of-life situations with a family member and were unable to care for their pets during this period.

Our staff and volunteer teams have worked tirelessly to make sure every case we are able to help with has the right outcome for both animal and owner. To conserve funds we needed to furlough many of our team, but the remaining team stepped up and took up the challenge to support our community as best we could. All team members were fully in support of new areas of work demonstrating their dedication and ability to diversify and adapt. We developed relationships with local community Covid-19 groups to provide pet support as needed, provided insight, advice to county and local councils and other local organisations through the Cumbria Community Resilience Group and other platforms. This helped to ensure that pet owners were supported throughout this challenging period.

Our Education programme adapted to meet the challenges of the pandemic - providing a range of dynamic online activities, Google classrooms and animal welfare themed activities for those who were home-schooling. Our Training Team also took dog training classes and 1-2-1 online sessions, helping owners to start and continue training throughout lockdown and address some of the dog behavioural challenges that were seen to develop in this period.

Our supporters also stepped up amazingly. With our tearoom, site and charity shops being forced to close with lockdown, our community got behind us with generous donations, taking part in our online events, fundraising activities and sending us amazing messages of support and gifts for the animals. Although we did lose a significant number of our income streams during the lockdowns, forcing us to draw on our reserves, our generous supporters enabled us to limit the size of our losses. On behalf of the whole team, the Trustees would like to thank all of our supporters who helped us during this time.

### FINANCIAL REVIEW

#### Financial Review

Our aim to diversify our funding streams continues and, while income was less than 2019 and both trading and direct fundraising hampered by Covid restrictions, our results reflect this increase in diversification.

## FINANCIAL REVIEW

### Principal funding sources

| | 2020 | | 2019 | |
|---|---|---|---|---|
| | £ | % | £ | % |
| Legacies | 256,592 | 35.9% | 620,170 | 65.2% |
| Donations (including Gift Aid) | 133,502 | 18.7% | 130,003 | 13.7% |
| Grants | 197,471 | 27.6% | 40,890 | 4.3% |
| Trading activities | 110,906 | 15.5% | 140,993 | 14.8% |
| Other | 15,975 | 2.2% | 18,847 | 2.0% |
| Total | 714,446 | | 950,903 | |

While we have not emerged financially unscathed from the pandemic, with the loss reflected in the accounts of £268,768, access to government support, additional support from grant-funders and individual donations, as well as the use of digital fundraising and e-commerce techniques, meant that the level of loss was managed, providing us with a firm platform to move forward from.

The key financial facts for year ended 31st December 2020 are: income of £714,446, expenditure £999,780 and net gains on investments of £16,566 resulting in a deficit of £268,768 Total unrestricted reserves at the end of 2020 were £2,078,417, with £606,725 being accessible reserves, and the remainder being tangible fixed assets, primarily our land and buildings.

By comparison, the accounts of year ending 31st December 2019 showed income of £950,903, expenditure of £1,012,021 (excluding exceptional items of £1,653,224 which comprised an impairment of the property at Oak Tree Farm) and a net gain from investments of £67,528 resulting in a comparable surplus for the year of £6,410.

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, the Sir Peter O'Sullevan Charitable Trust, Ground Work UK, the Kennel Club Charitable Trust, the Rose Animal Welfare Trust, Marjorie Coote Animal Charity Trust, the Emerson Foundation and the June Evetts Animal Welfare Trust among many others, for their generous support this year which has allowed us to achieve so much.

### Investment policy and objectives

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.

### Reserves policy

Each year the Board of Trustees reviews the reserves of the charity in line with the charity's investment policy, looking at income and expenditure and the overall value of reserves.

The investment policy sets out the requirement for reserves to be invested conservatively and in line with the Charity Commission guidelines with a diversified portfolio to minimise risk. An ethical policy has been adopted to avoid investments that conflict with the aims of the charity. This policy precludes direct investment in companies involved in vivisection or drug testing on animals.

At the end of 2020 unrestricted reserves amounted to £606,725 excluding fixed, tangible assets. There are no material amounts committed from reserves.

## FUTURE PLANS

2021 will see families and lifestyles further transitioning as we come out of lockdown. We are already seeing an increase in the number of dogs and cats being relinquished, many with behaviour issues directly relating to the pandemic, and more owners facing financial uncertainty where we can provide short term support though our community programmes.

We remain committed to helping animals and owners throughout our region, responding to situations as they arise and ensuring we adapt our work in this ever changing world. The launch of our new "Onwards and Upwards in a Changing World 2021-2024" strategy in 2021 enables us to tackle the immediate challenges we face as an organisation allowing us not merely to survive but instead to thrive, supporting animals and their owners in a shifting landscape by providing high quality, relevant community and rehoming programmes.

2021 will see more financial challenges for our charity as we anticipate a period of recession. In order to address this, we will continue to diversify our income streams and, in particular build on our trading and e-Commerce capacity, through the charity and its trading subsidiary, to enable us to fund our work.

We also anticipate a rise in the number of behavioural issues seen in young dogs as we move out of lockdown, where those pups who were unable to be socialised fully due to restrictions, face the challenges seen in a busy world. We will continue to train our staff to support owners and animals, offer specialised training support to enable us both to tackle this issue in the community and within our rehoming programme.

The Animal Welfare Action Plan published by the UK government offers much hope for improvements to animal welfare legislation. We will develop our advocacy programme to ensure that we are able to act as a voice for animals and owners in our region and ultimately improve animal welfare. Our community programme will also seek to support changes in legislation by providing practical animal welfare support such as cat micro-chipping.

## 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.

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.

### Recruitment and appointment of new trustees

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

### 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.

### Decision making

The Board of Trustees meets throughout the year to make decisions regarding the direction and governance of the charity in accordance with the governing document. No business is transacted at any general meeting unless a quorum of 3 members is present, with decisions taken through a vote indicated by a show of hands, with each member entitled to one vote. In the event of deadlock the Chair of the Board may cast an additional deciding vote. A resolution may also be made in writing by simple majority of the members who would have been entitled to vote on it were it held at a general meeting.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Induction and training of new trustees

All new trustees undergo a period of induction and training, supported by the Trustee Board and the Senior Management Team. It is vital our trustees have up-to-date relevant knowledge relating to governance and our sector, and hence this commitment to training continues throughout their period of trusteeship.

### Key management remuneration

The Board of Trustees sets the remuneration of the General Manager in line with fair market rates, taking into consideration the specific requirements of the role. The performance and level of remuneration is reviewed annually.

### Related parties

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.

### Risk Assessment

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

## FUNDRAISING ACTIVITIES

The charity does not carry out significant fundraising activities.

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

10404912 (England and Wales)

### Registered Charity number

1169511/SC048389

### Registered office

Oak Tree Farm
Wetheral Shields
Carlisle
Cumbria
CA4 8JA

### Trustees

P T Armer FCMA, CGMA (resigned 17/5/2021)
Ms R L Griffiths (resigned 6/5/2021)
D Jordan
M B Squires MRCVS
S Wells
Mrs E J C Hoyles (appointed 27/2/2021)

Day-to-day management is delegated to the Chief Executive Officer, Ms C A Johnson.

### Senior Statutory Auditor

Alan Meikle FCA

## REFERENCE AND ADMINISTRATIVE DETAILS

**Auditors**

RfM Fylde Limited
Summerdale
Head Dyke Lane
Pilling
Lancashire
PR3 6SJ

**Advisers**

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.

In line with the charity's procurement policy, the accountancy and auditing function will be out to tender in 2021.

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.

## 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.

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, RfM Fylde Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

## Report of the Trustees
## FOR THE YEAR ENDED 31 DECEMBER 2020

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

Approved by order of the board of trustees on 12 August 2021 and signed on its behalf by:

.....
D Jordan - Trustee

## Report of the Independent Auditors to the Members of Oak Tree Animals' Charity

### Opinion

We have audited the consolidated financial statements of Oak Tree Animals' Charity (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

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

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

**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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors and other management, and from our commercial knowledge and experience of the religious charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, Charities Act 2011, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alan Meikle FCA (Senior Statutory Auditor)
for and on behalf of RfM Fylde Limited
Summerdale
Head Dyke Lane
Pilling
Lancashire
PR3 6SJ

Date: 12 August 2021

**OAK TREE ANIMALS' CHARITY**

**Consolidated Statement of Financial Activities**
**FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Notes | Unrestricted fund £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | | | |
| Donations and legacies | 2 | 513,738 | 76,122 | 589,860 | 792,812 |
| Other trading activities | 3 | 110,906 | - | 110,906 | 140,993 |
| Investment income | 4 | 13,680 | - | 13,680 | 17,098 |
| **Total** | | 638,324 | 76,122 | 714,446 | 950,903 |
| **EXPENDITURE ON** | | | | | |
| Raising funds | 5 | 87,734 | 5,979 | 93,713 | 90,789 |
| **Charitable activities** | 6 | | | | |
| Animal Welfare | | 708,733 | 43,087 | 751,820 | 775,766 |
| Community projects and education | | 147,237 | 7,010 | 154,247 | 145,466 |
| Exceptional items | | - | - | - | 1,653,224 |
| **Total** | | 943,704 | 56,076 | 999,780 | 2,665,245 |
| Net gains on investments | | 16,566 | - | 16,566 | 67,528 |
| **NET INCOME/(EXPENDITURE)** | | (288,814) | 20,046 | (268,768) | (1,646,814) |
| **Transfers between funds** | 22 | 44,972 | (44,972) | - | - |
| **Net movement in funds** | | (243,842) | (24,926) | (268,768) | (1,646,814) |
| **RECONCILIATION OF FUNDS** | | | | | |
| **Total funds brought forward** | | 2,322,259 | 42,561 | 2,364,820 | 4,011,629 |
| **TOTAL FUNDS CARRIED FORWARD** | | 2,078,417 | 17,635 | 2,096,052 | 2,364,815 |

The notes form part of these financial statements

## Consolidated Statement of Financial Position
## 31 DECEMBER 2020

| | Notes | Unrestricted fund £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 14 | 1,471,692 | - | 1,471,692 | 1,496,907 |
| Investments | 15 | 537,688 | - | 537,688 | 691,356 |
| | | 2,009,380 | - | 2,009,380 | 2,188,263 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 16 | 12,464 | - | 12,464 | 14,019 |
| Debtors | 17 | 41,096 | - | 41,096 | 44,455 |
| Investments | 18 | 20,762 | - | 20,762 | 13,835 |
| Cash at bank and in hand | | 136,440 | 17,635 | 154,075 | 198,893 |
| | | 210,762 | 17,635 | 228,397 | 271,202 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 19 | (94,860) | - | (94,860) | (94,650) |
| **NET CURRENT ASSETS** | | 115,902 | 17,635 | 133,537 | 176,552 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 2,125,282 | 17,635 | 2,142,917 | 2,364,815 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 20 | (46,865) | - | (46,865) | - |
| **NET ASSETS** | | 2,078,417 | 17,635 | 2,096,052 | 2,364,815 |
| **FUNDS** | 22 | | | | |
| Unrestricted funds | | | | 2,078,417 | 2,322,254 |
| Restricted funds | | | | 17,635 | 42,561 |
| **TOTAL FUNDS** | | | | 2,096,052 | 2,364,815 |

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12 August 2021 and were signed on its behalf by:

.....
D Jordan - Trustee

The notes form part of these financial statements

## OAK TREE ANIMALS' CHARITY

### Charity Statement of Financial Position
### 31 DECEMBER 2020

| | Notes | Unrestricted fund £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 14 | 1,466,251 | - | 1,466,251 | 1,489,353 |
| Investments | 15 | 537,689 | - | 537,689 | 691,357 |
| | | 2,003,940 | - | 2,003,940 | 2,180,710 |
| **CURRENT ASSETS** | | | | | |
| Stocks | 16 | 3,084 | - | 3,084 | 5,252 |
| Debtors | 17 | 60,225 | - | 60,225 | 38,593 |
| Investments | 18 | 20,762 | - | 20,762 | 13,835 |
| Cash at bank and in hand | | 124,913 | 17,635 | 142,548 | 195,042 |
| | | 208,984 | 17,635 | 226,619 | 252,722 |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 19 | (87,642) | - | (87,642) | (76,168) |
| **NET CURRENT ASSETS** | | 121,342 | 17,635 | 138,977 | 176,554 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 2,125,282 | 17,635 | 2,142,917 | 2,357,264 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 20 | (46,865) | - | (46,865) | - |
| **NET ASSETS** | | 2,078,417 | 17,635 | 2,096,052 | 2,357,264 |
| **FUNDS** | 22 | | | | |
| Unrestricted funds | | | | 2,078,417 | 2,314,703 |
| Restricted funds | | | | 17,635 | 42,561 |
| **TOTAL FUNDS** | | | | 2,096,052 | 2,357,264 |

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12 August 2021 and were signed on its behalf by:

.....
D Jordan - Trustee

The notes form part of these financial statements

## OAK TREE ANIMALS' CHARITY

### Consolidated Statement of Cash Flows
### FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 2020<br>£ | 2019<br>£ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | (235,339) | 45,604 |
| Net cash (used in)/provided by operating activities | | (235,339) | 45,604 |
| **Cash flows from investing activities** | | | |
| Purchase of tangible fixed assets | | (23,774) | (81,984) |
| Purchase of fixed asset investments | | (69,531) | (258,189) |
| Sale of fixed asset investments | | 239,765 | 247,907 |
| Interest received | | 988 | 214 |
| Net cash provided by/(used in) investing activities | | 147,448 | (92,052) |
| **Cash flows from financing activities** | | | |
| New loans in year | | 50,000 | - |
| (Increase)/decrease in investments | | (6,927) | 297 |
| Net cash provided by financing activities | | 43,073 | - |
| **Change in cash and cash equivalents in the reporting period** | | (44,818) | (46,151) |
| **Cash and cash equivalents at the beginning of the reporting period** | 2 | 198,893 | 245,044 |
| **Cash and cash equivalents at the end of the reporting period** | 2 | 154,075 | 198,893 |

The notes form part of these financial statements

## Notes to the Consolidated Statement of Cash Flows
## FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Net expenditure for the reporting period (as per the Statement of Financial Activities)** | (268,769) | (1,646,814) |
| **Adjustments for:** | | |
| Depreciation charges | 48,994 | 74,268 |
| Gain on investments | (16,566) | (67,528) |
| Interest received | (988) | (214) |
| (Gains)/losses current asset investment | - | 297 |
| Impairment of freehold property | - | 1,653,224 |
| Decrease in stocks | 1,555 | 7,097 |
| Decrease in debtors | 3,359 | (4,292) |
| Increase in creditors | (2,924) | 29,863 |
| **Net cash (used in)/provided by operations** | (235,339) | 45,604 |

### 2. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Cash in hand | 100 | 198 |
| Notice deposits (less than 3 months) | 153,975 | 201,243 |
| Overdrafts included in bank loans and overdrafts falling due within one year | - | (2,548) |
| Total cash and cash equivalents | 154,075 | 198,893 |

The notes form part of these financial statements

## Notes to the Consolidated Statement of Cash Flows
## FOR THE YEAR ENDED 31 DECEMBER 2020

### 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/1/20 £ | Cash flow £ | At 31/12/20 £ |
|---|---|---|---|
| **Net cash** | | | |
| Cash at bank and in hand | 201,441 | (47,366) | 154,075 |
| Bank overdraft | (2,548) | 2,548 | - |
| | 198,893 | (44,818) | 154,075 |
| **Liquid resources** | | | |
| Deposits included in cash | - | - | - |
| Current asset investments | 13,835 | 6,927 | 20,762 |
| | 13,835 | 6,927 | 20,762 |
| **Debt** | | | |
| Debts falling due within 1 year | - | (3,135) | (3,135) |
| Debts falling due after 1 year | - | (46,865) | (46,865) |
| | - | (50,000) | (50,000) |
| **Total** | 212,728 | (87,891) | 124,837 |

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. 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.

### Basis of consolidation

The group financial statements consolidate the financial statements of the charitable company and its subsidiaries.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group statement of financial activities includes the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

### CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgements and key sources of estimation uncertainty made by trustees and management in preparing these financial statements which also have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Depreciation and impairment of fixed assets

The carrying amount of fixed assets is included within the tangible fixed asset note.

### INCOME

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

### Legacies and donations

Legacies and donations are recognised as income when it is probable that they will be received; this is normally upon receipt.

### Donated goods, services and facilities

Donated goods, professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

As it is impractical to measure the fair value of goods donated for resale, the donated goods are recognised when they are sold.

### Grants

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, 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 and is not deferred.

### Interest receivable and dividend income from investments

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


continued...

## 1. ACCOUNTING POLICIES - continued

**EXPENDITURE**
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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**
Support costs that cannot be directly attributed to a specific activity are apportioned across all relevant activities on a basis appropriate to their specific activity

**TANGIBLE FIXED ASSETS**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | | |
|---|---|---|
| Freehold property | - | 2% on reducing balance |
| Plant and machinery | - | 15% on reducing balance |
| Fixtures and fittings | - | 15% on reducing balance |
| Motor vehicles | - | 25% on reducing balance |

Land is not depreciated.

Depreciation is charged on a monthly basis from the calendar month following acquisition or on the bringing into use of the asset, whichever is the later. A full month is charged in the month of disposal.

**FIXED ASSET INVESTMENTS**
**Investments in Subsidiary Undertakings**
Investments in subsidiary undertakings are recognised at cost less impairment.

**Investment Portfolio**
Fixed asset investments are measured at market value.

**Impairment**
Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value.

Any impairment is recognised in the year in which it occurs in the corresponding SOFA category.

**CURRENT ASSET INVESTMENTS**
Cash balances are measured at cost.

**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.


continued...

## 1. ACCOUNTING POLICIES - continued

### 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.

### HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

### PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

### FINANCIAL INSTRUMENTS

**Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in income or expenditure.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in income or expenditure.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.



continued...

## 1. ACCOUNTING POLICIES - continued

**FINANCIAL INSTRUMENTS**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest.

**Impairment**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in income or expenditure.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in income or expenditure.

## 2. DONATIONS AND LEGACIES

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Donations | 125,635 | 125,862 |
| Appeal donations | 2,231 | 3,218 |
| Gift aid | 5,636 | 923 |
| Legacies | 256,592 | 620,170 |
| Grants | 197,471 | 40,890 |
| Other income | 2,295 | 1,749 |
| | 589,860 | 792,812 |

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

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Various Grants | - | 1,600 |
| Tesco Snuffle Run Grant | - | 1,000 |
| Kennel Club Grant | - | 2,660 |
| Ostacchini Grant | - | 2,500 |
| RPA BPS Grant | - | 6,530 |
| Sir Peter O'Sullevan Grant | - | 13,000 |
| Emerson Foundation | - | 100 |
| Rose Animal Welfare Grant | - | 10,000 |
| June Evetts Animal Welfare Trust | - | 2,500 |
| Marjorie Coote Animal Charity | - | 1,000 |
| Grants for general purposes | 12,729 | - |
| Grants for Equine projects | 26,500 | - |
| Grants for Animal projects | 20,250 | - |
| Grants for Community & Educational projects | 45,372 | - |
| Covid-19 related grants | 92,620 | - |
| | 197,471 | 40,890 |



continued...

## 3. OTHER TRADING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Fundraising events | 26,928 | 27,731 |
| Animal sponsorship | 2,205 | 2,257 |
| Lottery income | 2,650 | 1,397 |
| Trading income in OTAC Trading Ltd | 79,123 | 109,608 |
| | 110,906 | 140,993 |

## 4. INVESTMENT INCOME

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Dividend income from investments | 12,692 | 16,884 |
| Deposit account interest | 967 | 214 |
| Current asset investment income | 21 | - |
| | 13,680 | 17,098 |

## 5. RAISING FUNDS

### RAISING DONATIONS AND LEGACIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Event expenses | 250 | 1,750 |
| Support costs | 93,463 | 89,039 |
| | 93,713 | 90,789 |

**Volunteers**
Volunteers play a full part in the life of Oak Tree, supporting animal care, administration, governance and facilities functions; manning events, organising collections and undertaking wide variety of fundraising activities. In 2020, 216 volunteers gave over 10,000 hours of time equating to over £87,200 of support (based on minimum wage).

## 6. CHARITABLE ACTIVITIES COSTS

| | Direct Costs | Support costs (see note 7) | Totals |
|---|---|---|---|
| | £ | £ | £ |
| Animal Welfare | 106,509 | 645,311 | 751,820 |
| Community projects and education | 21,021 | 133,226 | 154,247 |
| | 127,530 | 778,537 | 906,067 |


continued...

## 7. SUPPORT COSTS

| | Finance | Human resources | Establishment costs |
|---|---|---|---|
| | £ | £ | £ |
| Raising donations and legacies | 522 | 80,349 | 5,637 |
| Animal Welfare | 7,829 | 457,372 | 84,560 |
| Community projects and education | 2,088 | 80,349 | 22,549 |
| | 10,439 | 618,070 | 112,746 |

| | Motor and travel costs | Governance costs | Totals |
|---|---|---|---|
| | £ | £ | £ |
| Raising donations and legacies | 836 | 6,119 | 93,463 |
| Animal Welfare | 3,764 | 91,786 | 645,311 |
| Community projects and education | 3,764 | 24,476 | 133,226 |
| | 8,364 | 122,381 | 872,000 |

| Activity | Basis of allocation |
|---|---|
| Finance | Allocated on a proportionate basis to charitable activities |
| Human resources | Allocated based on staff numbers |
| Establishment costs | Allocated on a proportionate basis to charitable activities |
| Motor and travel costs | Allocated on percentage use of vehicles |
| Governance costs | Allocated on a proportionate basis to charitable activities |

Support costs for Finance, Establishment costs and Governance costs are apportioned as:

| | 2020 | 2019 |
|---|---|---|
| Raising donations and legacies | 5% | 5% |
| Animal Welfare | 75% | 85% |
| Community projects and education | 20% | 10% |

Support costs for Human resources are apportioned as:

| | 2020 | 2019 |
|---|---|---|
| Raising donations and legacies | 13% | 13% |
| Animal Welfare | 74% | 74% |
| Community projects and education | 13% | 13% |

Support costs for Motor and travel costs are apportioned as:

| | 2020 | 2019 |
|---|---|---|
| Raising donations and legacies | 10% | 10% |
| Animal Welfare | 45% | 45% |
| Community projects and education | 45% | 45% |



continued...

## 8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Auditors' remuneration | 12,425 | 7,000 |
| Depreciation - owned assets | 48,990 | 74,266 |
| Other operating leases | 14,549 | 9,847 |

## 9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

### TRUSTEES' EXPENSES

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

## 10. STAFF COSTS

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 575,346 | 527,585 |
| Social security costs | 17,891 | 17,566 |
| Other pension costs | 22,276 | 20,911 |
| | 615,513 | 566,062 |

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

| | 2020 | 2019 |
|---|---|---|
| Management and administration | 11 | 12 |
| Veterinary and animal welfare | 13 | 14 |
| Community | 3 | 3 |
| Shop & tea room | 8 | 7 |
| Fundraising | 5 | 1 |
| | 40 | 37 |

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

The wages and salaries figure includes £1,047 (2019: £5,388 of expenses relating to staff uniforms, equipment and training.

## 11. EXCEPTIONAL ITEMS

During the year an impairment of £Nil (2019: £1,653,224) was made on the value of freehold land and buildings.



continued...

## 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 768,452 | 24,360 | 792,812 |
| Other trading activities | 140,993 | - | 140,993 |
| Investment income | 17,098 | - | 17,098 |
| **Total** | 926,543 | 24,360 | 950,903 |
| **EXPENDITURE ON** | | | |
| Raising funds | 90,789 | - | 90,789 |
| **Charitable activities** | | | |
| Animal Welfare | 773,737 | 2,029 | 775,766 |
| Community projects and education | 145,466 | - | 145,466 |
| Exceptional items | 1,653,224 | - | 1,653,224 |
| **Total** | 2,663,216 | 2,029 | 2,665,245 |
| Net gains on investments | 67,528 | - | 67,528 |
| **NET INCOME/(EXPENDITURE)** | (1,669,145) | 22,331 | (1,646,814) |
| **Transfers between funds** | 13,028 | (13,028) | - |
| **Net movement in funds** | (1,656,117) | 9,303 | (1,646,814) |
| **RECONCILIATION OF FUNDS** | | | |
| **Total funds brought forward** | | | |
| As previously reported | 3,974,185 | - | 3,974,185 |
| Prior year adjustment | 4,186 | 33,258 | 37,444 |
| **As restated** | 3,978,371 | 33,258 | 4,011,629 |
| **TOTAL FUNDS CARRIED FORWARD** | 2,322,254 | 42,561 | 2,364,815 |

## 13. SURPLUS/(DEFICIT) OF PARENT CHARITY

As permitted by Section 408 of the Companies Act 2006, the Statement of Financial Activities of the parent charitable company is not presented in these financial statements. The parent charity's deficit for the year was £261,212 (2019 - £1,653,751 deficit).



continued...

## 14. TANGIBLE FIXED ASSETS

**Group**

| | Freehold property £ | Plant and machinery £ | Fixtures and Fittings £ |
|---|---|---|---|
| **COST** | | | |
| At 1 January 2020 | 1,415,000 | 34,271 | 204,602 |
| Additions | 18,939 | - | 4,835 |
| At 31 December 2020 | 1,433,939 | 34,271 | 209,437 |
| **DEPRECIATION** | | | |
| At 1 January 2020 | - | 10,226 | 161,694 |
| Charge for year | 28,489 | 4,434 | 11,899 |
| At 31 December 2020 | 28,489 | 14,660 | 173,593 |
| **NET BOOK VALUE** | | | |
| At 31 December 2020 | 1,405,450 | 19,611 | 35,844 |
| At 31 December 2019 | 1,415,000 | 24,046 | 42,907 |

| | Motor vehicles £ | Computer equipment £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 January 2020 | 49,151 | 3,670 | 1,706,694 |
| Additions | - | - | 23,774 |
| At 31 December 2020 | 49,151 | 3,670 | 1,730,468 |
| **DEPRECIATION** | | | |
| At 1 January 2020 | 36,524 | 1,343 | 209,787 |
| Charge for year | 3,396 | 771 | 48,989 |
| At 31 December 2020 | 39,920 | 2,114 | 258,776 |
| **NET BOOK VALUE** | | | |
| At 31 December 2020 | 9,231 | 1,556 | 1,471,692 |
| At 31 December 2019 | 12,627 | 2,327 | 1,496,907 |



continued...

## 14. TANGIBLE FIXED ASSETS – continued

**Charity**

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|---|---|---|---|---|---|
| **COST** | | | | | |
| At 1 January 2020 | 1,415,000 | 28,004 | 204,246 | 49,151 | 1,696,401 |
| Additions | 18,939 | - | 4,835 | - | 23,774 |
| At 31 December 2020 | 1,433,939 | 28,004 | 209,081 | 49,151 | 1,720,175 |
| **DEPRECIATION** | | | | | |
| At 1 January 2020 | - | 8,919 | 161,605 | 36,524 | 207,048 |
| Charge for year | 28,489 | 3,181 | 11,810 | 3,396 | 46,876 |
| At 31 December 2020 | 28,489 | 12,100 | 173,415 | 39,920 | 253,924 |
| **NET BOOK VALUE** | | | | | |
| At 31 December 2020 | 1,405,450 | 15,904 | 35,666 | 9,231 | 1,466,251 |
| At 31 December 2019 | 1,415,000 | 19,085 | 42,641 | 12,627 | 1,489,353 |

## 15. FIXED ASSET INVESTMENTS

**Group**

| | Investment Portfolio £ | Totals £ |
|---|---|---|
| **MARKET VALUE** | | |
| At 1 January 2020 | 691,357 | 691,357 |
| Additions | 69,531 | 69,531 |
| Disposals | (239,765) | (239,765) |
| Revaluations | 16,566 | 16,566 |
| Reclassification/transfer | (1) | (1) |
| At 31 December 2020 | 537,688 | 537,688 |
| **NET BOOK VALUE** | | |
| At 31 December 2020 | 537,688 | 537,688 |
| At 31 December 2019 | 691,356 | 691,356 |

| | 2020 £ | 2019 £ |
|---|---|---|
| Investments in UK | 267,999 | 416,639 |
| Investments outside UK | 269,689 | 274,716 |
| | 537,688 | 691,355 |



continued...

**15. FIXED ASSET INVESTMENTS – continued**

**Charity**

| | Shares in group undertakings £ | Investment Portfolio £ | Totals £ |
|---|---|---|---|
| **MARKET VALUE** | | | |
| At 1 January 2020 | - | 691,357 | 691,357 |
| Additions | - | 69,531 | 69,531 |
| Disposals | - | (239,765) | (239,765) |
| Revaluations | - | 16,566 | 16,566 |
| Reclassification/transfer | 1 | (1) | - |
| At 31 December 2020 | 1 | 537,688 | 537,689 |
| **NET BOOK VALUE** | | | |
| At 31 December 2020 | 1 | 537,688 | 537,689 |
| At 31 December 2019 | - | 691,357 | 691,357 |

| | 2020 £ | 2019 £ |
|---|---|---|
| Investments in UK | 267,999 | 416,639 |
| Investments outside UK | 269,689 | 274,716 |
| | 537,688 | 691,355 |

The company's investments at the statement of financial position date in the share capital of companies include the following:

**OTAC Trading Ltd, company number 10502353**
Registered office:
Nature of business: Charitable retailer

| Class of share: | % holding |
|---|---|
| Ordinary £1 | 100 |

| | 2020 £ | 2019 £ |
|---|---|---|
| Aggregate capital and reserves | 1 | 7,556 |
| (Loss)/profit for the year | (7,555) | 6,942 |

| | 2020 £ | 2019 £ |
|---|---|---|
| Turnover | 123,151 | 166,407 |
| Expenditure | 130,706 | 159,465 |
| Profit/(loss) | (7,555) | 6,942 |



continued...

## 16. STOCKS

**Group**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Consumable stocks | 12,464 | 14,019 |

**Charity**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Consumable stocks | 3,084 | 5,252 |

## 17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

**Group**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trade debtors | 6,425 | 7,769 |
| Other debtors | 2,979 | 17,228 |
| VAT | 9,400 | 8,737 |
| Accrued income | 2,746 | - |
| Prepayments | 19,546 | 10,721 |
| | 41,096 | 44,455 |

**Charity**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Amounts owed by group undertakings | 27,466 | - |
| Other debtors | 120 | 16,462 |
| VAT | 10,591 | 11,654 |
| Accrued income | 2,746 | - |
| Prepayments | 19,302 | 10,477 |
| | 60,225 | 38,593 |

## 18. CURRENT ASSET INVESTMENTS

**Group**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Investment Portfolio Cash balance | 20,762 | 13,835 |

**Charity**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Investment Portfolio Cash balance | 20,762 | 13,835 |



continued...

## 19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

**Group**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts (see note 20) | 3,135 | - |
| Trade creditors | 30,587 | 45,469 |
| Social security and other taxes | 9,730 | 1,746 |
| Other creditors | - | 16,686 |
| Accrued expenses | 51,408 | 30,749 |
| | 94,860 | 94,650 |

**Charity**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts (see note 20) | 3,135 | 2,548 |
| Trade creditors | 29,973 | 41,555 |
| Social security and other taxes | 9,730 | 1,746 |
| Other creditors | - | 770 |
| Accrued expenses | 44,804 | 29,549 |
| | 87,642 | 76,168 |

## 20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

**Group**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Bank loans (see note 20) | 46,865 | - |

**Charity**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Bank loans (see note 20) | 46,865 | - |

## 21. LOANS

**Group**

An analysis of the maturity of loans is given below:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Amounts falling due within one year on demand: | | |
| Bank overdrafts | - | 2,548 |
| Bank loans | 3,135 | - |
| | 3,135 | 2,548 |
| Amounts falling between one and two years: | | |
| Bank loans - 1-2 years | 9,575 | - |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | 30,255 | - |



continued...

**21. LOANS – continued**

Amounts falling due in more than five years:

| | | |
|---|---|---|
| Repayable by instalments: | | |
| Bank loans more than 5 years by instalments | 7,035 | - |

Bank loans are unsecured.

**Charity**

An analysis of the maturity of loans is given below:

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| Amounts falling due within one year on demand: | | |
| Bank overdrafts | - | 2,548 |
| Bank loans | 3,135 | - |
| | 3,135 | 2,548 |
| Amounts falling between one and two years: | | |
| Bank loans - 1-2 years | 9,575 | - |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | 30,255 | - |

Amounts falling due in more than five years:

| | | |
|---|---|---|
| Repayable by instalments: | | |
| Bank loans more than 5 years by instalments | 7,035 | - |

Bank loans are unsecured.



continued...

## 22. MOVEMENT IN FUNDS

**Group**

| | At 1/1/20 £ | Net movement in funds £ | Transfers between funds £ | At 31/12/20 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 2,322,259 | (288,814) | 44,972 | 2,078,417 |
| **Restricted funds** | | | | |
| Sensory Garden | 6,150 | - | (6,150) | - |
| Equine welfare | 13,307 | 18,193 | (15,500) | 16,000 |
| Animal welfare | 12,245 | (6,775) | (4,383) | 1,087 |
| Community projects and education | 10,306 | 9,181 | (18,939) | 548 |
| Woodland maintenance | 553 | (553) | - | - |
| | 42,561 | 20,046 | (44,972) | 17,635 |
| **TOTAL FUNDS** | 2,364,820 | (268,768) | - | 2,096,052 |

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 638,324 | (943,704) | 16,566 | (288,814) |
| **Restricted funds** | | | | |
| Equine welfare | 26,500 | (8,307) | - | 18,193 |
| Animal welfare | 4,750 | (11,525) | - | (6,775) |
| Community projects and education | 44,872 | (35,691) | - | 9,181 |
| Woodland maintenance | - | (553) | - | (553) |
| | 76,122 | (56,076) | - | 20,046 |
| **TOTAL FUNDS** | 714,446 | (999,780) | 16,566 | (268,768) |



continued...

## 22. MOVEMENT IN FUNDS - continued

**Comparatives for movement in funds**

| | At 1/1/19 £ | Prior year adjustment £ | Net movement in funds £ | Transfers between funds £ | At 31/12/19 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General fund | 3,974,181 | 4,186 | (1,669,141) | 13,028 | 2,322,254 |
| **Restricted funds** | | | | | |
| Sensory Garden | - | 14,200 | - | (8,050) | 6,150 |
| Equine welfare | - | 5,285 | 13,000 | (4,978) | 13,307 |
| Animal welfare | - | 5,414 | 6,831 | - | 12,245 |
| Community projects and education | - | 7,806 | 2,500 | - | 10,306 |
| Woodland maintenance | - | 553 | - | - | 553 |
| | - | 33,258 | 22,331 | (13,028) | 42,561 |
| **TOTAL FUNDS** | 3,974,181 | 37,444 | (1,646,810) | - | 2,364,815 |

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 926,543 | (2,663,212) | 67,528 | (1,669,141) |
| **Restricted funds** | | | | |
| Equine welfare | 13,000 | - | - | 13,000 |
| Animal welfare | 8,860 | (2,029) | - | 6,831 |
| Community projects and education | 2,500 | - | - | 2,500 |
| | 24,360 | (2,029) | - | 22,331 |
| **TOTAL FUNDS** | 950,903 | (2,665,241) | 67,528 | (1,646,810) |



continued...

## 22. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/1/19 £ | Prior year adjustment £ | Net movement in funds £ | Transfers between funds £ | At 31/12/20 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General fund | 3,974,186 | 4,186 | (1,957,955) | 58,000 | 2,078,417 |
| **Restricted funds** | | | | | |
| Sensory Garden | - | 14,200 | - | (14,200) | - |
| Equine welfare | - | 5,285 | 31,193 | (20,478) | 16,000 |
| Animal welfare | - | 5,414 | 56 | (4,383) | 1,087 |
| Community projects and education | - | 7,806 | 11,681 | (18,939) | 548 |
| Woodland maintenance | - | 553 | (553) | - | - |
| | - | 33,258 | 42,377 | (58,000) | 17,635 |
| **TOTAL FUNDS** | 3,974,186 | 37,444 | (1,915,578) | - | 2,096,052 |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 1,564,867 | (3,606,916) | 84,094 | (1,957,955) |
| **Restricted funds** | | | | |
| Equine welfare | 39,500 | (8,307) | - | 31,193 |
| Animal welfare | 13,610 | (13,554) | - | 56 |
| Community projects and education | 47,372 | (35,691) | - | 11,681 |
| Woodland maintenance | - | (553) | - | (553) |
| | 100,482 | (58,105) | - | 42,377 |
| **TOTAL FUNDS** | 1,665,349 | (3,665,021) | 84,094 | (1,915,578) |



continued...

**22. MOVEMENT IN FUNDS – continued**

**Charity**

| | At 1/1/20 £ | Net movement in funds £ | Transfers between funds £ | At 31/12/20 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 2,314,703 | (281,258) | 44,972 | 2,078,417 |
| **Restricted funds** | | | | |
| Sensory Garden | 6,150 | - | (6,150) | - |
| Equine welfare | 13,307 | 18,193 | (15,500) | 16,000 |
| Animal welfare | 12,245 | (6,775) | (4,383) | 1,087 |
| Community projects and education | 10,306 | 9,181 | (18,939) | 548 |
| Woodland maintenance | 553 | (553) | - | - |
| | 42,561 | 20,046 | (44,972) | 17,635 |
| **TOTAL FUNDS** | 2,357,264 | (261,212) | - | 2,096,052 |

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 587,921 | (885,745) | 16,566 | (281,258) |
| **Restricted funds** | | | | |
| Equine welfare | 26,500 | (8,307) | - | 18,193 |
| Animal welfare | 4,750 | (11,525) | - | (6,775) |
| Community projects and education | 44,872 | (35,691) | - | 9,181 |
| Woodland maintenance | - | (553) | - | (553) |
| | 76,122 | (56,076) | - | 20,046 |
| **TOTAL FUNDS** | 664,043 | (941,821) | 16,566 | (261,212) |



continued...

## 22. MOVEMENT IN FUNDS - continued

**Comparatives for movement in funds**

| | At 1/1/19 £ | Prior year adjustment £ | Net movement in funds £ | Transfers between funds £ | At 31/12/19 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General fund | 3,973,571 | 4,186 | (1,676,082) | 13,028 | 2,314,703 |
| **Restricted funds** | | | | | |
| Sensory Garden | - | 14,200 | - | (8,050) | 6,150 |
| Equine welfare | - | 5,285 | 13,000 | (4,978) | 13,307 |
| Animal welfare | - | 5,414 | 6,831 | - | 12,245 |
| Community projects and education | - | 7,806 | 2,500 | - | 10,306 |
| Woodland maintenance | - | 553 | - | - | 553 |
| | - | 33,258 | 22,331 | (13,028) | 42,561 |
| **TOTAL FUNDS** | 3,973,571 | 37,444 | (1,653,751) | - | 2,357,264 |

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

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 847,741 | (2,591,351) | 67,528 | (1,676,082) |
| **Restricted funds** | | | | |
| Equine welfare | 13,000 | - | - | 13,000 |
| Animal welfare | 8,860 | (2,029) | - | 6,831 |
| Community projects and education | 2,500 | - | - | 2,500 |
| | 24,360 | (2,029) | - | 22,331 |
| **TOTAL FUNDS** | 872,101 | (2,593,380) | 67,528 | (1,653,751) |



continued...

## 22. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1/1/19 £ | Prior year adjustment £ | Net movement in funds £ | Transfers between funds £ | At 31/12/20 £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| General fund | 3,973,571 | 4,186 | (1,957,340) | 58,000 | 2,078,417 |
| **Restricted funds** | | | | | |
| Sensory Garden | - | 14,200 | - | (14,200) | - |
| Equine welfare | - | 5,285 | 31,193 | (20,478) | 16,000 |
| Animal welfare | - | 5,414 | 56 | (4,383) | 1,087 |
| Community projects and education | - | 7,806 | 11,681 | (18,939) | 548 |
| Woodland maintenance | - | 553 | (553) | - | - |
| | - | 33,258 | 42,377 | (58,000) | 17,635 |
| **TOTAL FUNDS** | 3,973,571 | 37,444 | (1,914,963) | - | 2,096,052 |

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 1,435,662 | (3,477,096) | 84,094 | (1,957,340) |
| **Restricted funds** | | | | |
| Equine welfare | 39,500 | (8,307) | - | 31,193 |
| Animal welfare | 13,610 | (13,554) | - | 56 |
| Community projects and education | 47,372 | (35,691) | - | 11,681 |
| Woodland maintenance | - | (553) | - | (553) |
| | 100,482 | (58,105) | - | 42,377 |
| **TOTAL FUNDS** | 1,536,144 | (3,535,201) | 84,094 | (1,914,963) |

**Restricted Income Funds**
**Sensory Garden**
The sensory garden fund represents funds to improve facilities within the dog sensory garden.

**Equine Welfare**
The equine welfare fund represents funds to repair fencing and field shelters and to pay relevant staff costs.

**Animal Welfare**
The animal welfare fund represents funds for the improvement of dogs, cats and other small animal facilities onsite.


continued...

## 22. MOVEMENT IN FUNDS - continued

**Community Projects and Education**
The community projects and education fund represents funds for relevant staff costs, purchase and maintenance of technical equipment and transport costs.

**Woodland Maintenance**
The woodland maintenance fund represents funds for the maintenance of the boardwalk/visitor facility and the woodland management costs.

**Unrestricted Income Funds**
**General Fund**
The general unrestricted fund represents free funds of the charity which can be applied at the discretion of the trustees.

## 23. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a pension scheme through The People's Pension. A total contribution amount of £22,276 (2019: £20,911) was paid by the charity for the period. As there are no restrictions related to payment of employees, all contributions have been allocated to unrestricted funds.

## 24. RELATED PARTY DISCLOSURES

The charitable company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

There are no transactions with related parties outside of the group.

## 25. ULTIMATE CONTROLLING PARTY

The charity is controlled by the trustees.


continued...

## 26. FINANCIAL INSTRUMENTS

**Group**

The charity has the following financial instruments:

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| **Financial assets that are measured at market value** | | |
| Investment portfolio | 537,688 | 691,357 |
| **Financial assets that are debt instruments measured at amortised cost** | | |
| Investment Portfolio Cash balance | 20,762 | 13,835 |
| Cash at bank and in hand | 154,075 | 198,893 |
| | 174,837 | 212,728 |
| **Financial liabilities measured at amortised cost** | | |
| Bank loans* | (50,000) | - |
| Trade creditors | (30,587) | (45,469) |
| | (80,587) | (45,469) |
| **Interest and dividend income from financial assets** | | |
| Dividend income from investments | 12,692 | 16,884 |
| Deposit account interest | 967 | 214 |
| Current asset investment income | 21 | - |
| | 13,680 | 17,098 |

* The bank loan dated 6 August 2020 is a 100% government guaranteed Covid-19 bounceback loan repayable over a period of 72 months. The loan is interest and repayment-free for the first twelve months and repayable by equal monthly instalments from August 2021.



continued...

**26. FINANCIAL INSTRUMENTS – continued**
**Charity**

The charity has the following financial instruments:

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| **Financial assets that are measured at market value** | | |
| Investment portfolio | 537,688 | 691,357 |
| **Financial assets that are debt instruments measured at amortised cost** | | |
| Investment Portfolio Cash balance | 20,762 | 13,835 |
| Cash at bank and in hand | 156,231 | 195,042 |
| Amounts owed by group undertakings | 27,466 | - |
| | 204,459 | 208,877 |
| **Financial liabilities measured at amortised cost** | | |
| Bank loans* | (50,000) | - |
| Trade creditors | (29,973) | (41,555) |
| | (79,973) | (41,555) |
| **Interest and dividend income from financial assets** | | |
| Dividend income from investments | 12,692 | 16,884 |
| Deposit account interest | 967 | 214 |
| Current asset investment income | 21 | - |
| | 13,680 | 17,098 |

* The bank loan dated 6 August 2020 is a 100% government guaranteed Covid-19 bounceback loan repayable over a period of 72 months. The loan is interest and repayment-free for the first twelve months and repayable by equal monthly instalments from August 2021.

**OAK TREE ANIMALS' CHARITY**

**Detailed Statement of Financial Activities**
**FOR THE YEAR ENDED 31 DECEMBER 2020**

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 125,635 | 125,862 |
| Appeal donations | 2,231 | 3,218 |
| Gift aid | 5,636 | 923 |
| Legacies | 256,592 | 620,170 |
| Grants | 197,471 | 40,890 |
| Other income | 2,295 | 1,749 |
| | 589,860 | 792,812 |
| **Other trading activities** | | |
| Fundraising events | 26,928 | 27,731 |
| Animal sponsorship | 2,205 | 2,257 |
| Lottery income | 2,650 | 1,397 |
| Trading income in OTAC Trading Ltd | 79,123 | 109,608 |
| | 110,906 | 140,993 |
| **Investment income** | | |
| Dividend income from investments | 12,692 | 16,884 |
| Deposit account interest | 967 | 214 |
| Current asset investment income | 21 | - |
| | 13,680 | 17,098 |
| **Total incoming resources** | 714,446 | 950,903 |
| **EXPENDITURE** | | |
| **Raising donations and legacies** | | |
| Event expenses | 250 | 1,750 |
| **Charitable activities** | | |
| Animal care costs | 93,989 | 93,976 |
| Event expenditure | 3,333 | 8,923 |
| Community awareness and education | 66 | 592 |
| Animal welfare training costs | 2,703 | 6,253 |
| Travel and subsistence | 30 | 2,371 |
| Equipment maintenance | 1,328 | 1,926 |
| Cleaning costs | 8,459 | 7,622 |
| Trading subsidiary purchases | 17,622 | 28,850 |
| | 127,530 | 150,513 |
| **Exceptional items** | | |
| Impairment losses for intangible fixed assets | - | 1,653,224 |

## Detailed Statement of Financial Activities
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 £ | 2019 £ |
|---|---|---|
| **Support costs** | | |
| **Finance** | | |
| Bank charges | 3,920 | 3,020 |
| Portfolio management fees | 6,519 | 6,899 |
| | 10,439 | 9,919 |
| **Human resources** | | |
| Wages | 575,346 | 527,585 |
| Social security | 17,891 | 17,566 |
| Pensions | 22,276 | 20,911 |
| Sundries | 1,510 | 592 |
| Staff uniforms and equipment | 1,047 | 1,705 |
| | 618,070 | 568,359 |
| **Establishment costs** | | |
| Rent, rates and water | 26,061 | 28,572 |
| Insurance | 15,640 | 15,732 |
| Light and heat | 40,332 | 27,782 |
| Sundries | 21,982 | 24,910 |
| Capital development | 5,013 | - |
| Health and safety costs | - | 472 |
| Repairs and maintenance | 3,718 | 17,083 |
| | 112,746 | 114,551 |
| **Motor and travel costs** | | |
| Motor and travel expenses | 8,363 | 11,640 |
| **Governance costs** | | |
| Auditors' remuneration | 12,425 | 7,000 |
| Operating lease costs | 14,549 | 9,847 |
| Telephone | 4,681 | 4,153 |
| Postage and stationery | 5,016 | 13,102 |
| Accountancy and legal fees | 4,950 | 11,281 |
| Professional fees | 3,873 | 2,391 |
| Training costs | - | 238 |
| IT costs | 11,700 | 9,116 |
| Travel and subsistence | 476 | 1,501 |
| Advertising | 10,337 | 17,630 |
| Health and safety costs | 2,965 | 2,183 |
| Memberships and licenses | 1,896 | 2,580 |
| Bad debts written off | 523 | - |
| Freehold property depreciation | 28,489 | 53,531 |
| Plant & machinery depreciation | 4,434 | 4,621 |
| Fixtures & fittings depreciation | 11,899 | 11,397 |
| Carried forward | 118,213 | 150,571 |

## Detailed Statement of Financial Activities
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020<br>£ | 2019<br>£ |
|---|---|---|
| **Governance costs** | | |
| Brought forward | 118,213 | 150,571 |
| Motor vehicles depreciation | 4,168 | 4,717 |
| | 122,381 | 155,288 |
| Total resources expended | 999,780 | 2,663,216 |
| **Net expenditure before gains and losses** | (285,334) | (1,736,673) |
| **Realised recognised gains and losses** | | |
| Realised gains/(losses) on fixed asset investments | 16,566 | 67,528 |
| **Net expenditure** | (268,768) | (1,669,145) |