

OAKEN PALACE RECORDS

Charitable Incorporated Organisation

Registered Charity Number 1154786

TRUSTEES' ANNUAL REPORT

For the year ended

31st December 2018

Charity Information and Organisation

Charity name: Oaken Palace Records

Address: 174 Old Bedford Road
Luton
Bedfordshire
LU2 7HW

Trustees: Dr Sven Lohrey (chair)
Dr Owen Coggins
Mr Jakob Stollberger
Dr Kristin Hildenbrand

Oaken Palace Records is a Charitable Incorporated Organisation (CIO), registered charity number 1154786, governed according to the CIO Foundation Constitution, last amended on 1st June 2013.

The Members of the CIO are natural persons, who undertake to act in good faith to further the purposes of the CIO.

The affairs of the CIO are managed by the Charity Trustees. There must be at least three and no more than 10 Trustees. These Trustees may appoint new Trustees at any time, provided that a resolution is passed at a properly convened meeting of the current Charity Trustees.

Decisions are made by simple majority of votes at a meeting of the Trustees or by resolution made in writing or in electronic form and agreed by all Trustees.

Day to day management of the CIO's affairs throughout 2017 was carried out by the chair, Dr Sven Lohrey, who was responsible for accounting, the online presence, and continuing the relationships with suppliers and distributors, and Dr Owen Coggins, who was responsible for packing and shipping the sold goods, as well as contacting new artists. As in previous years, all Trustees decide together on new albums to be released, and together with the participating artists/bands on suitable animal protection organisations to receive grants.

Introduction

The trustees present their report and financial statement for the year ending 31st December 2018. This report is presented in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities: Financial Reporting Standards for Smaller Entities" (FRSSE), effective 1st January 2015.

Objectives and activities

As per its Foundation Constitution, the objectives of the CIO are:

- (1) The advancement of the art of Drone Metal music by the production and distribution on recordings in this genre;
- (2) The conservation of endangered species of animals by the provision of grants.

In exercising their duty, the Charity Trustees have reviewed that all of their activities have due regard to public benefit guidance published by the Commission.

The main activities of the CIO in order to achieve these objectives, as mentioned in point (1), are the release of Drone Metal music on different media (physical and digital), distributing these releases to a wide audience through the CIO's own websites as well as distributor partners in Europe and the United States, and promoting the releases through reviews in high-profile music outlets as well as free streaming.

Each released album is dedicated to a specific endangered animal. Animals are chosen by the contributing artists and bands, but always in discussion with the Trustees, and based on the animals' conservation status as listed on the IUCN redlist.

Once the production costs of each release have been covered, all profits are donated to an environmental organisation that works towards the protection of the respective endangered animal. To ensure that the given grants benefit those animals as directly as possible, donations are primarily given to specific on-going or planned projects run by small, specialised environmental organisations, which have to be registered as a charity in their country.

Achievements and performance

(1) With regards to the advancement of the art of Drone Metal music:

In its sixth year of operation, Oaken Palace Records stayed true to its focus on Drone music in all its various shades, while also keeping alive an exploratory attitude towards other styles of music. Three new pieces of music were released – one 7" vinyl single, the first ever for Oaken Palace Records, and two 12" vinyl albums. The total number of releases is now fifteen.

Due to a delay in the production of artwork for OAK-013, the year began with the release of OAK-014: Faces I Don't Recall – The Optimist Remixes, a two-track vinyl single by Dutch post-rock band GOLD, which features remixes of two tracks off their latest album, Optimist. The remixes were produced by well-known electronic artists Bestial Mouths and Necro Deathmort, whose interpretations mix elements of Drone with Acid House, Noise, and Ambient.

This release was followed by OAK-013: Ikiru, a two-track vinyl album by Louise Landes Levi, which quickly became the label's most successful release. Louise Landes Levi is a founding member of Daniel Moore's Floating Lotus Magic Opera Company, the first fusion orchestra in the USA, and trained with the Indian masters Pandit Ram Narayan and Ustad Abdul Majid Khan on sarangi, and with Ali Akbar Khan and his sister, Annapurna Devi. She also studied with La Monte Young in NYC, where she monitored the Dream House, Young's & Zazeela's musical installation. This has given her an almost cult status in the minimalist music scene over the last years, and subsequently Ikiru was received with

great interest, particularly from specialised music distributors like SoundOhm. Almost all of the 300 copies of the LP were sold even before the official release date.

The last release of 2018 was OAK-015, the self-titled second album of Irish Drone-folk band Woven Skull. On this album, Woven Skull (alongside an extended family of guests and collaborators) explore the limits of repetition, minimal instrumentation and free improvisation that stretches the breadth between delicate silences and harsh cacophony with continuously retaining traditional elements of song and musicality. In doing so, they join the ranks of artists like Eternal Tapestry, Bear Bones, Lay Low, and Blown Out, who create more psychedelic forms of Drone.

As in previous years, we continue to make all releases available to stream for free via the Oaken Palace Records homepage and Bandcamp page, in order to allow everyone to access Drone music irrespective of their financial situation.

In detail, the following three albums were released in 2018:

- (a) OAK-013: Louise Landes Levi – Ikiru (released on 3rd April 2018)

This vinyl album is a musical journey through the life and fate of the Monarch butterfly, to which the release is dedicated. IKIRU, which is Japanese for "to grow", starts with "Butterfly Graveyard", a musical assessment of the current state of the Monarch butterfly, whose population has declined by over 80% over the past 20 years. On "Butterfly Brain", this worrying development is contrasted with the bravery and wonder of the species, its transformation from a caterpillar to a butterfly, which then travels thousands of miles on its journeys from the US to Mexico. The album is limited to 300 copies on 140g white vinyl, housed in sleeves made from 100% sustainable materials. In addition, a special test pressing edition of 20 copies on 12" black virgin vinyl was available. All copies of this release are sold out at source.

- (b) OAK-014: GOLD – Faces I Don't Recall: The Optimist Remixes (released on 30th January 2018)

Ever ready to test the boundaries of musical creation and consumption, GOLD have teamed up with Oaken Palace Records for a remix EP which includes Optimist tracks White Noise and You Too Must Die, remixed by Necro Deathmort and Bestial Mouths respectively. This release is limited to 250 copies on black virgin vinyl. A very limited test pressing edition of 5 copies with alternative cover artwork was available. All proceedings of the release are going to the preservation of the critically endangered white-backed vulture and will be donated to the respective project of the Dutch Raptor Conservation Program. This release has covered cost, and we will make a first donation in 2019.

- (c) OAK-015: Woven Skull – Woven Skull (released on 2nd November 2018)

Woven Skull (alongside an extended family of guests and collaborators) explore the limits of repetition, minimal instrumentation and free improvisation that stretches the breadth between delicate silences and harsh cacophony with continuously retaining traditional elements of song and musicality. This release is limited to 500 copies on 140g black virgin vinyl. A limited test pressing edition of 10 copies with alternative artwork was available. Woven Skull dedicate their album to the Eurasian red squirrel, which is facing a particular difficult situation in Ireland and England. Due to the introduction of the Eastern grey squirrel by humans and habitat loss, their numbers have decreased dramatically over the last years. Without conservation efforts, the red squirrel could go extinct in this part of the world within the next 10 years. All profits will be donated to the Red Squirrel Survival Trust, a national charity working to keep red and grey squirrels apart, protect the country's biodiversity and establish new red squirrel colonies. This release has covered cost, and we will make a first donation in 2019.

Oaken Palace Records continues to benefit the public in four ways: Firstly, by promoting new and innovative approaches to Drone Metal music of less well-known artists and bands as well as giving more established artists and bands a platform to express their concern for the environment. Secondly, by making all releases freely available via streaming services on Oaken Palace Records websites. Thirdly, several reviews of the releases were published in high-profile music outlets in different countries and languages, including music sites like Pitchfork, Terrorizer, and Decibel, further contributing to the advancement of Drone Metal music. In addition, Oaken Palace Records was mentioned in The Guardian's "Alt city guide to Birmingham". Finally, Oaken Palace releases are not only sold via the Charity's websites, but distributed widely in Europe and the US.

(2) With regards to the conservation of endangered species of animals by the provision of grants:

Apart from the double LP by Phurpa released in 2017, all other releases are now returning a profit, and therefore qualify for donations being made to environmental organisations working towards the conservation and protection of the respective species to which the albums were dedicated.

In detail, the following donations were made throughout 2018:

(a) On 25th September:

USD 1,600 (GBP 1,220.43) for the Monarch butterfly to the US National Fish and Wildlife Foundation, from profits of the now sold-out OAK-013: Louise Landes Levi – Ikiru (released in 2018).

(b) On 27th September:

GBP 250 for orcas to Whale and Dolphin Conservation, from profits of the now sold-out OAK-003: Nadja – Flipper (released in 2013).

(c) On 18th October:

EUR 600 (GBP 526.82) for the European ground squirrel to the Austrian Union for Nature Preservation, from profits of OAK-002: Caudal – Forever In Another World (released in 2013).

(d) On 18th October:

GBP 150 for bumblebees to the Bumblebee Conservation Trust, from profits of OAK-004: Plurals – Bugenes Melissae (released in 2014).

(e) On 02nd November:

GBP 350 for the Cebu flowerpecker to the EDGE of Existence conservation programme of the Zoological Society of London, from profits of OAK-008: Expo '70 – Kinetic Tones (released in 2015).

In total, Oaken Palace Records donated GBP 2497.05 in 2018. The total donation amount since 2014 is now 13,440.17. Donation certificates and/or Thank You letters for each of the listed donations can be found in the appendix of this report.

Financial review

The results for the year and financial position are set out in the Statement of Financial Activities and the Balance Sheet on pages 7 and 8.

Total incoming resources were £4,764 (2017: £188), and resources expended were £2,840 (2017: £4,608), resulting in a surplus of £1,924 (2017: deficit of £4,420).

Reserves policy

The Trustees review the policy on reserves and set targets at least once per annum with reference to the guidance and terminology published by the Charity Commission. The policy is also reviewed, when warranted by changes in risk assessment or business plans. The review includes unrestricted funds, designated funds and tangible fixed assets. Transfers to and from funds are authorised by at least two of the three current Trustees. Currently, there are no funds materially in deficit.


Plans for future periods

With all but one releases returning a profit, and several releases being almost sold out, Oaken Palace Records is currently in a relatively comfortable situation that allows us to keep on releasing new music despite the potential risks of a no-deal Brexit. We have already been informed by our production partners Breed Media that pressing costs and production times for new vinyl records are likely to rise due to delays at customs, more administrative work, and currency fluctuations. However, we feel confident that we can tackle these challenges, also because the recent currency fluctuations in favour of the Euro make buying our releases more attractive for EU-customers – at least momentarily.

At the time of writing this report, two new releases are planned for 2019. The first one will be a full-blooded Drone LP by David Terry, who is a member of Bong, one of the most well-known Drone bands in and beyond the UK. The second release will be a more psychedelic and folky take on Drone by UK outfit Vibracathedral Orchestra, who have released almost 40 albums on various formats to date. We are in contact with both bands, and currently waiting to receive their material.

In addition, we will print a new Oaken Palace label t-shirt with new logo artwork by Wired To The Moon. The first set of 50 shirts made from organic cotton was made available in 2015 and sold out within a few months.

In general, we will limit the pressing amount of our LP releases to 300 copies – which is an amount we seem to be able to move quite easily. This will hopefully reduce the space we need for storage, although it will mean that the total donation amount per release will be lower due to higher unit costs.


Dr. Sven Lohrey, Chair of Trustees
March 2019

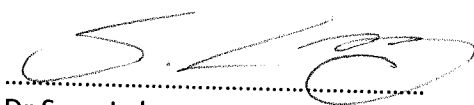
STATEMENT OF FINANCIAL ACTIVITIES

		2018 Restricted £	2018 Designated £	2018 Unrestricted £	2018 Total £	2017 Total £
INCOMING RESOURCES						
Grants and Donations	2	0	0	0	0	0
Charitable Trading	3	0	0	4,764	4,764	188
TOTAL INCOMING RESOURCES		0	0	4,764	4,764	188
RESOURCES EXPENDED						
Charitable Donations	4	0	0	2,497	2,497	1,587
Bank Charges and Professional Fees	5	0	0	(27)	(27)	216
Suspense and Mispostings	6	0	0	370	370	2,805
TOTAL RESOURCES EXPENDED		0	0	2840	2840	4,608
SURPLUS / (DEFICIT) FOR THE YEAR		0	0	1924	1924	(4,420)
BROUGHT FORWARD 1st JAN 2018		0	0	3,712	3,712	8,132
CARRIED FORWARD 31st DEC 2018		0	0	5,636	5,636	3,712

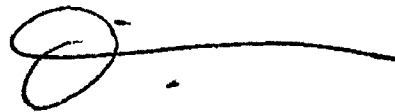
BALANCE SHEET AS AT 31st DECEMBER 2018

	2018		2017	
	£	£	£	£
FIXED ASSETS		0		0
CURRENT ASSETS				
Amounts Due	1,262		1,896	
Cash at Bank and in Hand	4,374		1,816	
	<u>5,636</u>		<u>3,712</u>	
CREDITORS				
Amounts due	<u>0</u>		<u>0</u>	
NET CURRENT ASSETS		<u>5,636</u>		<u>3,712</u>
TOTAL ASSETS LESS LIABILITIES		<u>5,636</u>		<u>3,712</u>
CHARITY FUNDS				
Restricted		0		0
Designated		0		0
Unrestricted		5,636		3,712
		<u>5,636</u>		<u>3,712</u>
TOTAL CHARITY FUNDS		<u>5,636</u>		<u>3,712</u>

Accounts approved by Trustees



Dr Sven Lohrey
March 2019



Dr Owen Coggins
March 2019

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 2018

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with (1) Accounting by Charities – Statement of Recommended Practice (SORP 2005), (2) with Financial reporting standards for Smaller Enterprises (FRSSE), and (3) with the Charities Act 2011.

Incoming resources are recognised on a receivable basis, and liabilities are recognised on an accruals basis.

2. GRANTS AND DONATIONS RECEIVABLE

2018		2017	
Restricted £	Unrestricted £	Restricted £	Unrestricted £
0	0	0	0

3. CHARITABLE TRADING GROSS PROFIT (UNRESTRICTED)

	2018	2017
	Unrestricted £	Unrestricted £
Physical Music Media (Vinyl Records and Tapes)	6,487	3,779
Digital Downloads	217	213
	6,704	3,992

4. CHARITABLE DONATIONS

	2018		2017	
	Restricted £	Unrestricted £	Restricted £	Unrestricted £
Kakapo Recovery	0	0	0	628
EDGE of Existence	0	350	0	0
Durrell Wildlife Conservation	0	0	0	500
Whale & Dolphin Conservation	0	250	0	0
Naturschutzbund NÖ	0	527	0	0
Turtle Survival Alliance	0	0	0	94
Orangutan Foundation	0	0	0	365
US NFWF	0	1220	0	0
Bumblebee Conservation Trust	0	150	0	0
	0	2,497	0	1,587

5. BANK CHARGES AND PROFESSIONAL FEES (UNRESTRICTED)

	2018	2017
	Unrestricted £	Unrestricted £
Bank Account Fees	60	60
Foreign Transaction Charges	0	0
Currency Conversion Charges	0	0
Exchange Rate Variances	(245)	70
PayPal Fees	158	86
Suspense and Mispostings	370	2,805
	<u>343</u>	<u>3,021</u>