



healthy working animals
for the world's poorest communities

**THE BROOKE HOSPITAL FOR ANIMALS
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

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**THE BROOKE HOSPITAL FOR ANIMALS
REFERENCE AND ADMINISTRATIVE DETAILS**

President

HRH The Duchess of Cornwall

Patrons

HRH Princess Alia bint al-Hussein of Jordan
Sir Peter O'Sullivan CBE
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Ambassadors

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Directors/Trustees

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Mr Michael Baker

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Registered as a Charity

No: 1085760

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³ Member of Nominations Committee

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Chairman's Statement

In 2007/08 the Brooke reached 7% more needy equine animals than ever before. This was achieved through the charity's network of mobile veterinary treatment and community training teams working with thousands of people in 10 developing countries.

Most of the horses, donkeys and mules benefiting from the Brooke's activities in 2007/08 were in the three countries which form the core of the charity's operations: Egypt, India and Pakistan. There and in the other countries where it works the Brooke was able to reach a total of over 700,000 animals in 2007/08. In doing so, it also assisted an estimated 4.3 million people who depend on these animals to provide the means to feed, clothe and educate their families.

Although this was excellent progress, there is still a long way to go before the Brooke achieves its aim of reaching the five million horses, donkeys and mules in greatest need. A key piece of research that will underpin our future plans was completed in 2007/08. Using criteria such as density of working animals and significant poverty levels, the research identified seven new countries which might qualify for Brooke treatment and training programmes. These will be subject to further investigation in the coming year. The research also confirmed that the Brooke's existing countries of operation rated highly as areas of significant need.

During the year, the UK Board of Trustees initiated a governance review to ensure that the charity's monitoring and decision-making processes are robust and appropriate to an expanding and complex international organisation. One result of this review was a decision to enlarge the Board. Five new Trustees were appointed in March, having been recruited through advertisements in the national press and a formal application and interview process.

I would like to extend the thanks of the Board of Trustees to staff and supporters in Brooke's countries of operation, in the Netherlands, and in the UK, all of whom have made a direct contribution to the successes described in this report.

Hilary Weir
Chairman

Chief Executive's Statement

Our excellent progress was largely due to the dedicated efforts of staff, supporters and Trustees in Brooke countries of operation, in the Netherlands, and in the UK. The annual report is a testament to their hard work.

To support current and future growth, the Brooke strengthened its UK team in 2007/08, particularly the international department. The new International Director has experience of community development and animal science, and the expanded department is now well equipped to implement the Brooke's ambitious plans.

An important component of our effort to extend the Brooke's reach is working in partnership with other organisations. In 2007/08 the Brooke established a number of new partnerships, particularly with local NGOs in India as well as maintaining its relationships with Practical Action in Kenya and Mercy Corps in Pakistan. This not only enables us to make a greater impact on animal welfare; it also contributes to widening recognition of the critical role of the working horse, donkey or mule in poor communities.

2007/08 also saw completion of research into potential Brooke supporters in the UK, to inform future fundraising and publicity and ensure the charity can continue to generate the income it needs. The results of this research will be used as the basis for a campaign in 2008/09 to raise the profile of working horses, donkeys and mules and, in particular, the link between equine welfare and livelihoods.

Operational success was made possible by another record-breaking year for Brooke fundraising, both in the UK and in the Netherlands. This gives Trustees and staff confidence to press on with the Brooke's equine welfare mission. My colleagues join me in offering heartfelt thanks to the thousands of dedicated supporters across the world who devote so much time, effort and personal resources to the Brooke.

Mike Baker
Chief Executive

Who we are

Twelve years after the end of the First World War, Dorothy Brooke began a campaign to rescue survivors from the group of war-horses (from Britain, Australia, the USA and other allied countries) that had been sold in Egypt in 1918. In 1934, having completed this task, she founded the Old War Horse Memorial Hospital - later renamed The Brooke Hospital for Animals - to provide free treatment to needy horses, donkeys and mules working in and around Cairo.

From its original base in Egypt over 70 years ago, the Brooke has developed an extensive network of country programmes and partner organisations whose job is to provide or facilitate essential veterinary treatment and to promote good practice in equine animal care. In Egypt, Ethiopia, India, Jordan, and Pakistan the Brooke delivers an animal welfare improvement programme at a community level for owners, users and carers that combines direct provision of free veterinary care with support for local animal-health professionals and service providers such as farriers, saddlers and feed sellers. The Brooke has been able to extend its work further with the development of the Brooke Partnership Network, supporting similar programmes undertaken by a range of non-governmental and other organisations in Afghanistan, Egypt, Ethiopia, Guatemala, India, Israel and the West Bank, Kenya, Nepal, and Pakistan. Almost all the Brooke's work is financed entirely by voluntary income.

The need

Millions of horses, donkeys and mules work in the developing world hauling goods, produce, building materials or people while suffering from wounds, lameness, malnutrition and dehydration.

Many owners and users live in poverty and do not have the information or means to care properly for their animals. Because there are few sources of support, the animals and their owners are left to suffer and struggle on their own.

The primary aim in the Brooke's current five year plan is "to improve substantially the health and welfare of working horses, donkeys and mules in areas where there is proven need, and to work with the communities who depend on those animals so that they can properly care for them and sustain the improvements the Brooke brings about". To achieve this, the Brooke works with the communities whose livelihoods depend upon these animals, educating owners to carry out basic care and promoting networks of veterinary, farriery and other support.

Where we work



What we do

Direct intervention to improve equine animal welfare

Brooke staff and staff employed by Brooke-funded partners provide free veterinary services in order to relieve the suffering of working horses, donkeys and mules. To support this activity the Brooke employs 124 vets in its overseas operations.

Prevention of welfare problems by promoting good practice and supporting essential services

Most of the welfare problems that the Brooke encounters could have been prevented if owners, service providers and local communities had adequate information and could access essential services. The Brooke and its partners help communities understand and respond to issues that affect the welfare of their animals; provide training in equine care to local vets, animal health workers and farriers; deliver animal welfare information through radio broadcasts to people in remote areas; support programmes in schools to engage with children who work with or can influence animal owners; identify the most prevalent and severe problems that affect equine animals; and develop appropriate activities to improve welfare in a measurable way. By these means the Brooke is able to deploy its resources effectively and bring lasting benefit to working horses, donkeys and mules where the need is greatest.

Information & awareness raising

The Brooke persuades key institutions and organisations (governments and local and international NGOs) to include the welfare of working equids in their policy development work and programme design/implementation. It does so by emphasising the extent to which poor communities depend upon horses, donkeys and mules to sustain their livelihoods. In this way the Brooke hopes to increase the investment in equine animal care far beyond what could be achieved solely through its own resources.

Research

The Brooke undertakes and commissions practical field research to identify effective, sustainable and science-based solutions to animal suffering that can be delivered by animal-owning communities in the developing world.

What we aimed to do in 2007/08

The first aim set out in the Brooke's current five year plan agreed in March 2006 is **"to improve substantially the health and welfare of working horses, donkeys and mules in areas where there is proven need, and to work with the communities who depend on those animals so that they can properly care for them and sustain the improvements the Brooke brings about"**.

The plan approved by Trustees in March 2007 specified seven specific ways in which the Brooke should pursue this aim. The year's principal achievements in respect of each are set out below:

1. To increase Brooke interventions where the Brooke already has a presence, on the basis that by using existing networks and expertise we can reach many more animals in areas already identified as having high animal density and poor animal welfare

Principal achievements were:

- A 7% increase in the estimated number of animals reached by direct Brooke operations and partners, to just over 700,000 horses, donkeys and mules, This was achieved by focusing our efforts where there were already resources on the ground to support them.
- The development of 13 new partnerships in seven countries:
 - ❖ In Afghanistan, the Brooke entered into partnership with the Dutch Committee for Afghanistan (DCA), a well established and internationally respected NGO which is responsible for the training and monitoring of paravets at a national level. Training is delivered via three main centres, in Herat, Charikar and Mazar-i-Sharif. DCA has agreed to collaborate with the Brooke in developing and incorporating an equine module into its existing programme. Through DCA, the Brooke will employ two contract staff in 2008/09 to develop the equine training module in collaboration with the Brooke's UK based veterinary trainers, and to explore options for developing links and further partnerships in Afghanistan in the longer term.
 - ❖ Brooke Egypt began working with a Canadian Government-funded agency, Community and Institutional Development, in the brick kilns of Helwan, near Cairo. It also started to explore possibilities for working with NGOs in order to reach even more brick kiln animals.

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- ❖ In Ethiopia, the Brooke entered into an equine welfare partnership with the Organization for Rehabilitation and Development of Amhara (ORDA). The Brooke helped ORDA implement a one year pilot programme in Sekota and Ibinat, where 73,000 equids work. ORDA is an indigenous non-profit making humanitarian and development NGO.
- ❖ In Guatemala, initial contacts were made with a well-established rural organisation, Conrado de la Cruz, with which the Brooke plans to begin working in the Western Highlands. The Western Highlands adjoins the mountains of Chiapas in Mexico, identified by Brooke research as a densely populated high priority area. Brooke staff will be visiting Chiapas in 2008 to meet other potential partners.
- ❖ Brooke India has established partnerships with six NGOs whose primary focus is on human development. Some of these NGOs are now incorporating animal welfare into their stated charitable objects and priorities. Working with these organisations is starting to contribute to the improvement of animal welfare in areas where the Brooke itself could not operate because of limited resources. This partner-based approach has substantially increased the number of treatment and training points in India.
- ❖ In Nepal, which has large equine animal populations, high levels of poverty and associated poor levels of animal welfare among its working horses, donkeys and mules, Brooke India is managing a locally-staffed partner Animal Health Training and Consultancy Service (ACTHS), which Brooke UK started funding in 2007/08.
- ❖ Brooke Pakistan developed links with the National Rural Support Programme to find ways of working together using their experience from other partnership projects.
- ❖ In the Palestinian villages of the West Bank expansion of our efforts was made possible through a six month pilot with the Palestinian Agricultural Relief Committees (PARC) that works in partnership with Safe Haven for Donkeys in the Holy Land.

2. To research a range of countries with a view to gaining wider knowledge of global problems affecting working equine animals, how they compare with those in our current countries of operation and to agree appropriate approaches for potential future projects

Principal achievements were:

- Examination of a range of possibilities for expanding the Brooke's work within existing countries of operation and in new countries. Criteria used to identify areas where the Brooke might work in future include high working equine population and density, high prevalence of vulnerable work types, and high human poverty levels. In 2007/08 a desk study looked at 31 potential new countries, ranking them in accordance with these criteria and also considering security issues and the potential each offered for partnership working. Seven of these countries merit more thorough investigation and will be the subject of in-depth desk studies and field visits in 2008/09.

3. To initiate pilot projects across the organisation to look at differing approaches to the work in the field and start investigating which are most effective and why

Principal achievements were:

- In Aswan, Brooke Egypt began working in cooperation with a social organisation that provides literacy classes in nearby villages. The Brooke was able to include a programme to raise awareness of animal welfare and to educate local women and girls to understand and better care for their families' working horses, donkeys and mules. A booklet has been developed by the Brooke to incorporate an animal welfare message into the standard literacy curriculum.
- In Edfu, one of our centres in Egypt, women from a local group are being taught by Brooke vets how to maintain their own animals' harness. This training creates an opportunity for them to gain a small income by maintaining that of other animal owners.
- Brooke India has developed a multipurpose piece of software to monitor treatment services (both its own emergency service and referrals to other providers). This will enable Brooke India to measure the efficiency, quality and impact of the services.
- Brooke Pakistan extended its partnership project with Mercy Corps (a US NGO). The aim of the project was to train and support women animal health workers to improve animal welfare in the earthquake affected area of the North West Frontier Province. This initiative received formal recognition from the Government of Pakistan.

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4. To prepare the ground for a major initiative to promote the benefits of good working animal welfare for poor communities

Principal achievements were:

- In November 2007, 10 animal welfare societies held a meeting at the Brooke Hospital in Cairo and agreed to establish the Egyptian Federation for Animal Welfare Societies. Its aim is to adopt a coordinated approach to improving the welfare of all animals in Egypt.
- Brooke Egypt worked with the veterinary department of Cairo University on equine modules for inclusion in the department's curriculum. The Brooke also made a practical contribution by accepting graduate students for training in its clinics.
- Brooke Egypt had initial discussions with the United Nations Food and Agriculture Organisation (FAO) about formalising a diploma for paravet training.
- Brooke Ethiopia participated in the country's National Livestock Policy Forum Workshop. This meeting resulted in the creation of a working group called "Working Animals" which is now part of the Forum and aims to generate dialogue on animal welfare policy and coordination on working animal welfare matters.
- Brooke India made rapid progress in establishing links with government veterinary and livestock officials and practitioners at both district and national level. This will offer important opportunities for developing impact and expanding reach in the longer term. One direct result of this effort was the increase in compensation for equine owners in Uttaranchal who lost animals due to glanders.
- Brooke India also developed informal links with other organisations such as district banks (to discuss micro finance arrangements for animal owning communities) and social organisations (to encourage them to incorporate equine animal welfare programmes in their work with poor communities).
- In Kenya, the Brooke's partner, Kenya Network for Dissemination of Agricultural Technologies (KENDAT), in collaboration with Animal Traction Network for Eastern and Southern Africa (ATNESA) and Animal Welfare Action Kenya (AWAKE), hosted in Nairobi the first Regional Workshop on Animal Welfare. KENDAT organised a number of equine-focused sessions to share strategies for promoting equine welfare throughout the country.
- Brooke Pakistan developed links with a number of organisations, including Faisalabad University, the National Rural Support Programme, Government livestock authorities and a range of local institutions and NGOs within Pakistan.

5. To build management capacity to support and enable expansion of services overseas

Principal achievements were:

- In line with plans to increase efficiency in rapidly expanding programmes, the UK team responsible for researching and supporting the implementation of solutions to poor equine animal welfare in developing countries was enlarged from seven to 16 people. Specialists in animal welfare, community development and veterinary care were recruited and immediately provided support to all projects, contributing to the achievements described elsewhere in this report.
- This enlarged team led a number of training sessions for in-country staff, in order to increase the efficiency and effectiveness of the ambitious expansion programmes already under way in the 10 Brooke countries of operation.
- Training programmes for Brooke staff included: (i) developing practical ways to encourage animal owners to adopt good practice in the care of their animals (many owners simply don't recognise the importance of good welfare to productivity); (ii) an animal health planning workshop for senior Brooke vets, held at Bristol University Veterinary School; and (iii) training risk assessors, whose work is critical to identifying the causes of welfare problems.

6. To undertake the research phase of a public awareness programme

Principal achievements were:

- Completion of the research phase of a programme aimed at increasing public awareness of the vital importance of working animals in the developing world, particularly to the livelihoods of their owners. The implementation phase will aim not only to raise awareness but also to stimulate future income growth and increase the Brooke's reach by enabling it to enter into an increasing number of partnerships with NGOs and official bodies.

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7. To continue the governance review and begin to implement changes where appropriate

Principal achievements were:

- Acting on the recommendations of a consultant in early 2007, the Brooke established a Nominations Committee and a Governance Working Group in 2007/08.
- The Nominations Committee revised the Trustee Job Description, the Code of Conduct and the Trustee Board's Requirements. These documents underpinned the Committee's recruitment of five new Trustees, which was undertaken using advertising as well as word of mouth. The Committee assessed each written application against the Brooke's stated requirements and interviewed every short-listed candidate. It now also manages the Board's human resources role.
- The five new Trustees were given a comprehensive induction to the Brooke. Each was also offered mentoring by an existing Trustee.
- The Governance Working Group reviewed what mechanisms were required to support the Brooke's planned growth. It focused on monitoring and evaluation and decision-making processes.

Review by country

During the year, the Brooke continued to develop lasting solutions to working equine welfare problems in 10 developing countries. Its focus included improved husbandry and the promotion of appropriate treatments that can be administered by Brooke and non-Brooke veterinary personnel, local health providers and the owners themselves.

Each Brooke-funded operation adopted a uniform approach to planning (using logical frameworks) which will enable the Brooke more effectively to monitor and report on results achieved in current and future countries of operation. This was a substantial piece of work undertaken and completed by field and UK staff. The use of logical frameworks will lead to improved consistency of information from operations in future years.

Afghanistan

Estimated reach ¹	130,000
No. of vets	35
Total staff	86
Mobile clinics	9
Static clinics	-
CBAHWs receiving training ²	28
Communities supported	100

¹ Reach = number of working horses, donkeys and mules whose welfare was improved or suffering was reduced during the year. Other statistics (vets, staff, clinics, etc) are the number funded by the Brooke through a direct operation or a partner. In the case of Afghanistan, this includes CRAA.

² CBAHW = Community Based Animal Health Worker. CBAHWs are not employed by the Brooke or the organisations it supports but are paraprofessionals who provide basic working equine health care locally.

The Brooke's partnership with the Committee for Rehabilitation Aid to Afghanistan (CRAA), which came to an end during the year was successful in providing immediate relief of suffering to thousands of working equine animals. It also gave the Brooke experience and understanding of the local context. Further steps towards developing a national programme were taken when the Brooke entered into partnership with two well-established NGOs, Afghanaid in Badakshan and the Dutch Committee for Afghanistan (DCA) in Kabul.

Afghanaid, a UK registered NGO which works on a range of human development programmes in Afghanistan, has provincial offices and good local links in three of the poorest provinces of the country. The aim of the Brooke-funded project is to improve welfare by funding and training a network of paravets and basic veterinary workers in Badakshan, a remote north eastern province of Afghanistan with a high concentration of working equine animals. The network provides basic veterinary services to 100 communities.

As noted above, the Brooke entered into partnership with DCA which is responsible for the training and monitoring of paravets at a national level. DCA has agreed to collaborate with the Brooke in developing and incorporating an equine module into its existing programme.

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Egypt

Estimated reach	130,000
No. of vets	37
Total staff	183
Mobile clinics	27
Static clinics	6
CBAHWs receiving training	140
Communities supported	222

There are currently 27 mobile units working in seven project areas in Egypt: Cairo, Luxor, Aswan, Edfu, Alexandria, Mersa Matruh and the Nile Delta.

Community-based initiatives are undertaken by Brooke Egypt alongside the mobile teams' treatment activities. In 2007/08 Brooke Egypt initiated a community education and guidance programme. The objectives of this programme are: (i) to disseminate messages about animal welfare between owners, users and other stakeholders; (ii) to have direct contact with animal owners to help them identify and resolve problems and motivate them to relieve their animals' suffering; (iii) to implement a new policy with animal owners and users on their responsibility towards their animals; and (iv) to set up community groups who come together to identify, resolve and monitor equine welfare problems where possible.

Brooke Egypt's mobile teams continued to provide immediate relief of suffering to working horses, donkeys and mules in major cities and brick kilns, whilst community-based activities increased both the range of services available. Additional areas of programme growth during the year included: (i) training 140 CBAHWs to provide basic first aid, advice and other forms of support to animal owners; (ii) carrying out one of the first risk assessments to examine a number of different welfare issues, in this case the causes of wither, girth, breast and shoulder lesions suffered by tonga and cart equids in Sherbin; and (iii) visiting 190 schools, using a variety of educational tools to raise the children's awareness of equine welfare, for example puppet shows, presentations and puzzles. Brooke Egypt's efforts are already bearing fruit, as several communities are now building their own water troughs and shade structures.

Ethiopia

Estimated reach	38,500
No. of vets	10
Total staff	38
Mobile clinics	6
Static clinics	-
CBAHWs receiving training	46
Communities supported	150

Brooke Ethiopia achieved a great deal in terms of setting up a programme in a short time, obtaining official registration, establishing government contacts at central and decentralised levels and identifying areas with high densities of equines.

The initial aim was to reach one million equines in three regions by 2010. This aim is being modified, principally to concentrate efforts in a smaller geographical area. The approach will continue to work through existing structures, seek to build capacity in local government, non government service providers and communities, and create awareness and understanding of equine welfare and preventive care among animal owners and users.

Government vets, other health providers and paravets were trained to treat working equines both at their clinics and where animals are working, such as market places and timber yards. CBAHWs are being taught and supported to give basic treatment to working equines. The Brooke is working to get certain painkillers and other drugs onto the government's essential animal drugs list.

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Guatemala

Estimated reach	2,030
No. of vets	2
Total staff	5
Mobile clinics	-
Static clinics	-
CBAHWs receiving training	20
Communities supported	34

Equinos Sanos Para el Pueblo (ESAP) works in Petén, Chimaltenango and Antigua. The organisation has gone from strength to strength, both in programme development and in addressing a number of organisational issues, all the while ensuring that equine welfare is at the heart of its activities. In 2007/08, with its expanded staff resources, the Brooke was able to provide better support for ESAP than previously. In September the ESAP team worked intensively with the Brooke on developing geographical focus, intervention methodology and systems for planning, budgeting and reporting. A welfare assessment was carried out in Petén and a complex risk assessment on tick infestation was completed with support from the Brooke.

India

Estimated reach	100,000
No. of vets	19
Total staff	139
Mobile clinics	19
Static clinics	-
CBAHWs receiving training	897
Communities supported	535

Brooke India operates through directly managed teams in Delhi and in nine districts of western Uttar Pradesh, the state which has the highest concentration of working equine animals in India, and with NGO partners in Andhra Pradesh, Uttarkhand and Rajasthan. In 2007/08, the network was extended to include six new partners in central Uttar Pradesh. The programme is adopting increasingly imaginative and innovative approaches in order to make improvements in working animal welfare sustainable and community-focused and substantially more cost-effective than before.

The main priority for Brooke India in 2007/08 was the consolidation of the district teams introduced in early 2007. This was completed successfully.

A second priority was to implement a measured phase of expansion to new areas within existing districts, and to new districts within the state of Uttar Pradesh. During the year Brooke India devoted a significant amount of effort to working with a number of local potential partners, particularly by discussing with them the importance of equine welfare. By the end of 2007/08, Brooke India's programme included nine Partner Equine Welfare Units (PEWUs), which are part-funded by the Brooke but managed and staffed by local organisations with technical support from Brooke India.

Brooke India provides immediate relief of suffering in a variety of ways. At district level, Brooke teams offer emergency treatment to working equine animals where no other help is available. At community level, Veterinary Assistants - whose principal task is to spread the message that prevention is better than cure - provide basic treatments and follow-up advice whenever necessary.

The Brooke undertook a number of research and assessment activities in India in 2007/08, including the lameness project in Jaipur, Welfare Assessments in four districts (Meerut, Saharanpur, Muzzafarnagar and Moradabad), a Risk Assessment on wither and girth lesions in Gaurikund, and livelihoods research.

During the year, Brooke India reported that owners in many of the communities in which it operates were taking increased responsibility for the welfare of their animals.

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Jordan

Estimated reach	630
No. of vets	5.5
Total staff	12
Mobile clinics	1
Static clinics	1
CBAHWs receiving training	-
Communities supported	3

The Brooke programme in Jordan in 2007/08 continued to serve the population of working cart horses, riding horses and donkeys through a static clinic, a 24-hour emergency service and a mobile clinic which operates in Petra and Wadi Musa. In February 2008, a Welfare Assessment was carried out on equines within this catchment area. The principal improvement revealed by the Welfare Assessment was a decrease in the prevalence of body and knee lesions.

Kenya

Estimated reach	16,500
No. of vets	6
Total staff	37
Mobile clinics	4
Static clinics	-
CBAHWs receiving training	99
Communities supported	827

There was political unrest and protracted violence in Kenya following the disputed Presidential election in December 2007. This affected KENDAT's area of operation as some team members had to move temporarily from Limuru. Practical Action's area of operation remained largely unaffected.

KENDAT

The Brooke project run by KENDAT, Heshimu Punda, is based in Nairobi and operates in three areas in the countryside around the city: Lari, Limuru and Mwea. KENDAT has undertaken innovative work to disseminate information about working equine welfare and good welfare practice to a range of stakeholders including school children, youth groups and animal owners and users.

KENDAT's veterinary team provides clinical services and deals with emergencies. Its community work team educates donkey owners and users in good husbandry and management practices. In 2007/08, KENDAT initiated a programme of pro-active health planning, providing tetanus and rabies vaccinations in consultation with the office of the Director of Veterinary Services. KENDAT is also encouraging donkey owners and users to take increased responsibility for the welfare of their animals, particularly by ensuring they have adequate water, feed and stabling.

Practical Action

The Brooke has been working in partnership with Practical Action in Kenya for two years. The LIDOW (Livelihoods and Donkey Welfare Initiative) project operates in the District of Mandera which borders Somalia and Ethiopia. This is a vulnerable area, subject to drought, conflict, migration and cross border problems. Donkeys are gaining in importance as they are increasingly used for the transportation of people, water and goods. The project initially focussed on developing strong links with donkey owners and their communities and training CBAHWs. This year, it employed a vet and in 2008/09 it will offer a mobile clinic service to relieve the immediate pain and suffering of donkeys in seven population centres.

Within Mandera District, the traditionally negative perception of donkeys is slowly changing as a result of the LIDOW project. Significant improvements in donkey welfare and owner attitudes were recorded in 2007/08.

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Nepal

Estimated reach	-
No. of vets	-
Total staff	10
Mobile clinics	-
Static clinics	-
CBAHWs receiving training	24
Communities supported	6 districts

The Brooke formed a partnership in 2007 with Animal Health Training and Consultancy Service (AHTCS) in Nepal. This organisation started to operate independently in 2000, running a project to train 'barefoot' veterinarians providing quality animal health care and livestock education throughout the country.

During this initial phase, the project has focused its activities on collecting extensive baseline data and identifying working equine welfare issues, preparing communities and other key stakeholders for participation in an equine welfare programme in Western Nepal. This is the reason why there are no animals reached in the table above.

There are an estimated 3,700 working equines in the project area in Western Nepal. Here mules are the sole means of transport to carry various goods to and from mountain villages. Problems encountered include colic, hoof problems, poor veterinary support, lack of information amongst owners and handlers and lack of shelter.

Pakistan

Estimated reach	280,000
No. of vets	35
Total staff	290
Mobile clinics	31
Static clinics	7
CBAHWs receiving training	315
Communities supported	250

Brooke Pakistan operates in and around eight urban centres: Lahore, Peshawar, Multan, Mardan, Gujranwala, Faisalabad, Jaffrabad and Karachi. During the year Brooke Pakistan successfully established a new team in Faisalabad, set up a second team in Karachi and established a new centre in Jaffrabad.

Although political and security problems in 2007/08 hampered the level of direct support from UK-based advisers, the country programme continued to thrive and evolve. Work ceased for a short time in Karachi during the height of the disturbances but overall, field work was not severely affected. Several new initiatives began on research and disease prevention. Surra awareness workshops for over 200 owners took place in Faisalabad and Karachi, and field and laboratory tests for trypanosomiasis and piroplasmiasis were carried out as part of the effort to reduce the risk of an outbreak of surra and other blood-borne parasitic diseases.

Another positive development in 2007/08 was exploring opportunities for wider cooperation with other organisations and institutions - governmental, non-governmental and educational. For example, the project with Mercy Corps, which was initially developed in 2006/07 as a continuation of the Brooke's involvement in the earthquake-affected area, proved so successful that it continued throughout 2007/08. This encouraged Brooke Pakistan to develop links with organisations such as the National Rural Support Programme.

Brooke Pakistan's 31 mobile teams continued to provide immediate relief of suffering to working equine animals. The range and quality of coverage was developed throughout the year and continues to improve. To complement this part of the programme, the teams at each centre developed specific plans to increase owners' ability to prevent and manage welfare problems.

Palestinian Villages of Israel and the West Bank

Estimated reach	3,150
No. of vets	2
Total staff	5
Mobile clinics	1
Static clinics	1
CBAHWs receiving training	17
Communities supported	34

In 2007/08 the Brooke continued to support Safe Haven for Donkeys in the Holy Land to provide a mobile treatment service in border towns of Israel and the West Bank. A six month pilot project was developed, uniting the efforts of Safe Haven and Palestinian Agricultural Relief Committees (PARC) in an area with a population of approximately 60,000 donkeys and mules, by using their different skills to broaden the coverage of Brooke-funded work through a range of activities including veterinary training and community awareness campaigns. Given the practical challenges of working in the West Bank, progress has been impressive, particularly the training undertaken with local vets and educational work with local schools.

Field research

The Brooke's work to improve equine welfare remains firmly evidence-based and grounded in research. Research carried out in 2007/08 included:

- nine Welfare Assessments in four countries (to measure levels of welfare in animal communities where the Brooke works)
- nine Risk Assessments in five countries (to identify the causes of welfare problems)
- testing methods and tools used to monitor the impact of the Brooke's work on people's livelihoods
- heat stress and dehydration research
- the development of a tool to enable vets to understand through observation behaviour that indicates whether a donkey is in pain and to monitor response to pain relieving drugs
- completion of the first phase of research looking at the different pathologies of lameness
- stage two of the lameness research project, which began looking at potential causes through participatory action research
- in an effort to ensure consistent quality, the Brooke adapted its clinical auditing protocol to make it usable in its non-clinic-based programmes in Ethiopia, India and Kenya.

It was noted that owners tend to define the severity of their animals' problems in terms of productivity. The Brooke's practical research programme will enable it to help owners recognise signs of suffering in their animals' behaviour.

The Brooke's scientific achievements in the international veterinary field were recognised by invitations to present papers at the World Equine Vet Association Congress in Moscow in January 2008 and acceptance of a heat stress and dehydration paper by The Equine Veterinary Journal.

Fundraising and communications review

Objectives

The principal fundraising objectives for 2007/08 related to income generation and media coverage.

The objective for income generation was to increase voluntary income (donations, legacies and trading) to £10.5 million and net income after fundraising costs to £7.5 million, with percentage increases of 42% and 58% respectively over the previous year's budget.

The objective for media coverage was to generate over four hundred pieces of coverage in print, broadcast and online media and to establish new qualitative performance measures.

Effectiveness

The Brooke surpassed its fundraising objective for 2007/08, with voluntary income amounting to £10.7 million, exceeding budget by £0.2 million (1%).

Combined donations and trading (excluding donations from Brooke Netherlands) outperformed their budget by 2%, generating £5.8 million (54% of total voluntary income). The 2007/08 total outperformed the previous year's combined donations and trading by 22%. Legacies underperformed by 5%, producing an income of £4.0 million (38% of total voluntary income). Legacy income was also 23% below the previous year's total. This was partly due to delays in receipt of legacy income as property sales slowed. We started 2008/09 in a strong position, however, as anticipated legacy income (legacies of which we have been notified and which should pay out in the next 18 months) is 54% higher than at the same time in 2007/08.

Gross fundraising costs (before the allocation of support costs shown in note 7(b)) amounted to £2.9 million in 2007/08, marginally below budget. A planned increase in expenditure included additional investment as part of a drive to double the database of supporters in five years. This increase in expenditure had a negative impact on the return on investment compared to the previous year. In 2007/08 the Brooke raised £3.73 for every £1 spent on fundraising (£3.43 excluding income from Brooke Netherlands) which was down compared to 2006/07 (£4.27) but still above the target set by Trustees of £3 raised for every £1 spent on fundraising.

The Brooke also surpassed its media coverage target in 2007/08, achieving 33% more than its target. A review of coverage secured in earlier years was completed in support of work to define a set of new objectives for 2008/09 that focus on the quality of media coverage to complement the quantitative targets.

Strategy

The strategy for the year continued to be balanced between recruiting new supporters and retaining existing supporters whilst increasing their involvement with the Brooke's work. Supporters include individuals, charitable trusts, businesses, local fundraising Groups and participants in challenge events (sponsored fundraising events). A range of donor recruitment activities was undertaken to build awareness of the Brooke's vital work overseas and to make progress towards our goal of doubling our database of supporters by 2011 to support our work. The Brooke's President, Her Royal Highness The Duchess of Cornwall, made a significant contribution through attendance at the key event described below.

Principal activities

Brooke President

In February 2008, Her Royal Highness The Duchess of Cornwall presented prizes at the Brooke's first ever art competition. The event, "Get Arty", featured winning paintings by children in the UK, drawings by children in some Brooke countries of operation and photographs of Brooke work. It was attended by supporters and the media and provided a major fundraising and publicity opportunity for the Brooke.

Supporters

The Brooke's database of individual supporters has grown to around 70,000, which is in line with the plan to double the number of supporters in five years. TV advertising performed particularly well, as did text (SMS) response to advertising which was tested alongside the provision of freephone and online opportunities to donate. Press advertising was also successful in recruiting donors across a wide range of national newspapers and magazines.

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Existing supporters were especially generous in 2007/08, enabling us to exceed the budgeted income from this source by 9%. The Brooke also focused on building the loyalty of new supporters, enhancing its "welcome" programme. To strengthen the link between their donation and impact on the ground, donors are given information about the work of the Brooke and encouraged to send messages of support to overseas Brooke staff. This proved very successful, with 6,500 messages of support delivered to staff working in the Brooke's 10 countries of operation.

Online communication is becoming vitally important to charities and in 2007/08 Brooke made some important advances in this field. The number of supporters receiving news and information about the charity's work via email increased five-fold. An improved website to support the virtual gifts catalogue (enabling supporters to buy gifts for friends and relatives, such as a day's work by a Brooke vet) contributed to a record breaking year for virtual giving in 2007/08. Campaign-specific online advertising was introduced with continuous banner and search engine advertising to recruit new cash and direct debit supporters. This was helped by a grant from the search engine company, Google.

Legacies

In 2007/08, Brooke increased by 30% the number of people who notified us that they have pledged a legacy. This is an important indicator for the future of legacy income. We are extremely grateful to supporters who are willing to include the Brooke in their wills, as they make a most valuable contribution to the resources needed to sustain the charity's work for many years to come.

PR

The Brooke enjoyed another year of excellent media coverage. Two very big stories focused on a Brooke challenge ride in India and the "Get Arty" exhibition attended by Her Royal Highness The Duchess of Cornwall. Both initiatives introduced the Brooke to new audiences, including children through coverage in *National Geographic Kids* magazine.

Personal Fundraising

Much of the Brooke's fundraising involves working with and in support of individuals, groups, trusts and businesses.

Highlights of 2007/08 included completion of the challenge event fundraising ride in India and successes by Brooke UK fundraising groups who exceeded their target by 20%. Success was also marked by the creation of two new groups, bringing the UK group total to 30. The annual Brooke *Horses in Need* appeal took place in July 2007, featuring many local fundraising and publicity events. In November the Brooke held a day-long conference at which group members were able to share views and experiences and the Brooke could bring its much valued volunteers up to speed on developments in the work overseas.

An event to launch our work in Ethiopia was held at Saddlers Hall in London to coincide with a visit by Brooke international staff to the UK. This gave a number of supporters the opportunity to meet and question the people they fund to improve the lives of working equine animals in the developing world.

Brooke Hospital for Animals Nederland (Brooke Netherlands)

Brooke Netherlands had another exceptionally active and successful year, raising net income of £864,000 - 37% above its target. At the close of 2007/08 Brooke Netherlands had 32,000 active supporters, whose donations made a substantial contribution to the overseas work of the Brooke.

American Friends of the Brooke

In December 2007, our US fundraising affiliate, American Friends of the Brooke, received notification that it was formally registered as a charitable organisation in the USA. Brooke UK looks forward to working with American Friends to develop fundraising opportunities and build awareness of the Brooke's work in one of the world's greatest horse-loving nations.

Looking ahead: Aims for 2008/09

Immediate expansion of our work

The Brooke has budgeted to spend £9.5 million on charitable activities in 2008/09, 40% more than actual spend in 2007/08 to ensure we can increase the numbers of suffering animals reached in this and future years. This increase is a result of the work undertaken during the 2007/08 by the international team. Part of the additional spend will be in areas of Egypt, India, and Pakistan where we have already prepared the ground, for example in the Nile Delta in Egypt and with the Lucknow partnerships in India. Additional expenditure will also be used for expansion projects.

Preparing for further expansion

The survey undertaken during the year is part of an ongoing programme of assessment of potential areas for expansion including current project areas, new areas within existing countries of operation and new countries and regions. High equine population and density, vulnerable work types and high levels of human poverty are among the criteria used by the Brooke to decide where the need is greatest. We are now looking in detail at new locations which most obviously meet these criteria, West Africa and Mexico.

The aim is to be ready by 2009/10 to establish Brooke programmes in these priority areas.

Ensuring that all country programmes are working optimally

The Brooke aims to optimise the use of its resources to achieve as great an impact on working equine welfare as possible. In 2008/09 it will continue to ensure that country programmes are working effectively, making operational changes as required.

Implementing a public awareness programme

Following the research phase completed in 2007/08, the public awareness campaign will be launched in autumn 2008. The campaign will aim to raise the profile of working equines in the developing world and, in particular, how communities depend so heavily on their donkeys, horses or mules to survive.

Promoting the Brooke to other sectors involved with development work

In 2008/09 the Brooke will explore ways of promoting its work to other sectors involved in developing countries. A start was made in 2007/08 through contact with partners in existing countries of operation. Key contacts to be explored this year include the EU, Oxfam and the RSPCA.

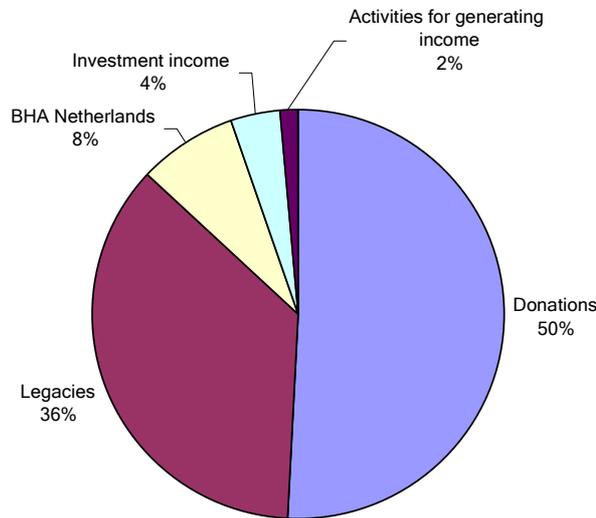
Reviewing governance

Building on the work of the Governance Working Group in 2007/08, the Brooke will investigate what structures are appropriate to support further international growth. It will also continue to explore the best ways of monitoring and evaluating the effectiveness of its work.

Financial review

Total incoming resources increased from £11,057,000 in 2006/07 to £11,089,000 in 2007/08. Donations increased by £1,265,000 (24%). Legacies did not perform as well as the previous year, decreasing by £1,199,000 (23%).

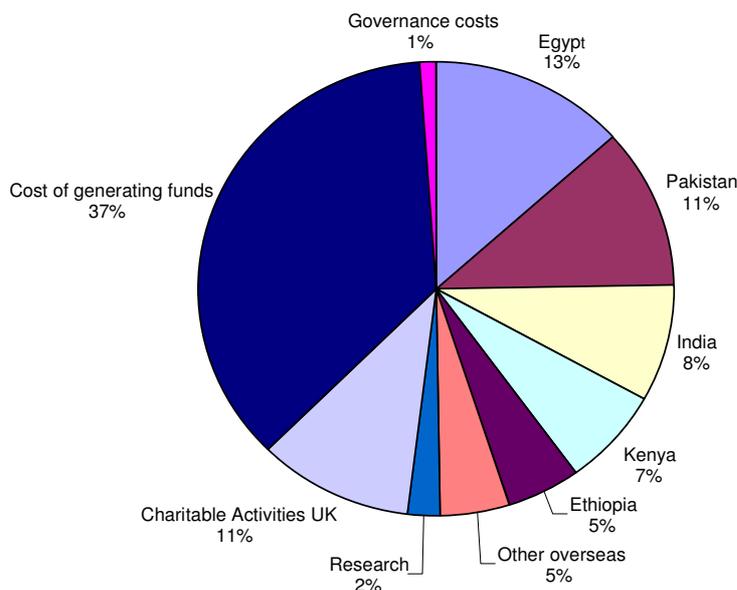
Where the money comes from



In the UK, the cost of generating funds rose by £602,000 (18%), reflecting increased fundraising activity and the Brooke's growing supporter database as evidenced by the growth in donations. Support costs (which exclude costs relating to the governance of the charity) grew by £131,000 (27%), on account of the strengthened central administrative resources, including a new HR function, necessary to support the Brooke's growing international operations. Governance costs increased by 28% to £109,000 reflecting costs involved in the governance review and expansion of the Board.

Total expenditure on charitable activities increased by £689,000 (11%) on the prior year. This increase was very much less than planned, largely because of the termination of the Brooke's contract with the Committee for Relief and Rehabilitation Aid to Afghanistan (CRAA) during the year and the continued weakening of the Pakistani rupee. The end of the partnership with CRAA reduced the Brooke's liability to partners by £44,000 in March 2008 (when 2008/09 agreements were approved) instead of it increasing by £441,000 as forecast.

Where the money was spent



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When the budget was set in March 2007, a net deficit of £1,520,000 was planned. During the year, however, there was substantial under-spend of charitable expenditure. As a result, we achieved a net surplus of £255,000. A reduction of £632,000 in the value of the Brooke's investment portfolio, however, caused reserves to decrease by £378,000, to £14,718,000 at the end of the year.

Financial strategy

Reserves policy

The Board of Trustees reviews the reserves policy annually. The most recent review took place in September 2007.

The objectives of the Brooke's reserves policy are to:

- i) ensure the future security of the charity by retaining sufficient funds to enable it to function effectively in the short term, while bearing in mind the fact that these funds will continue to be applied to the pursuit of its charitable objectives in the long term
- ii) fulfil the charity's obligations to beneficiaries and employees to sustain long-standing large-scale projects with recurrent operating costs
- iii) protect the work of the charity against fluctuations in voluntary income
- iv) protect the work of the charity in the event of overseas expenditure increasing as a result of adverse foreign exchange movements
- v) spread the use of legacies or large gifts that cannot be used immediately, over time through planned expansion
- vi) protect the work of the charity against fluctuations in the value of its investments resulting from stock-market and foreign-exchange movements
- vii) enable the charity to restructure its operations in an orderly and compassionate manner, in the event of such action being necessary
- viii) provide funds for the expansion of overseas charitable activities, particularly in the target regions of Africa, Asia and Central America
- ix) provide a lump sum to meet any contingencies other than those detailed above.

The policy links the Brooke's reserves to major financial and other risks identified as part of the annual planning process. Individual risks have been quantified and the level of reserves required calculated on the basis of total risk. Applying this policy, the minimum required level of reserves at 31 March 2008 was £8,509,000. This was covered by total unrestricted reserves of £14,245,000.

Designated funds

In March 2008, the Board of Trustees approved a fund equal to the lower of £7.0m or the surplus over minimum reserves to be designated to further phased expansion overseas. As at 31 March 2008, the designated fund therefore stood at £5,736,000.

The designated fund will be gradually drawn down over the next five years, bringing closing reserves in line with minimum and restricted reserves by March 2014.

This fund will meanwhile enable the Brooke to continue expanding its work overseas, both in current areas of operation and in new areas as identified in the surveys carried out in 2007/08 by the UK international department. Areas to develop will be based on surveys of working equine need as defined in the current objectives and in 2008/09 may include Mexico and West Africa.

Investment policy

The Brooke's investment powers are set out in its Memorandum and Articles of Association. In accordance with those powers, the Board has appointed professional fund managers to manage the investment portfolio, which represents a substantial proportion of the charity's reserves. The managers are issued with guidelines on asset allocation which are determined by the Finance Committee on behalf of the Board.

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The Brooke's investment objectives are to:

- i) safeguard its funds by making secure investments that will grow in value sufficiently to protect the funds against inflation
- ii) generate the best possible return from these funds in order to assist the charity to carry out its purposes, within the limits of safety detailed in (i) above.

The Board reviews the investment policy annually. The investment strategy matches the organisational obligations from the planned deficit spending over the next four years with the risk of the portfolio in which the funds are invested.

At 31 March 2008, 59% of the Brooke's investment portfolio was held in equities (including the equity content of spread-investment vehicles), with the remainder invested in bonds, cash and property. A further £2,857,000 was invested in bank deposits outside the portfolio.

Investment performance

In 2007/08, the value of the Brooke's investments fell substantially in the final quarter as a result of turbulence in the stock market, and the portfolio suffered a net loss for the year of £632,000. However the return on the Brooke's longer term investments, -3.1%, was above the composite benchmark of -4.7%. The investments, held in the Newton Phoenix fund, which are linked to the Brooke's medium-term financial requirements, performed significantly worse than the benchmark providing a return of -1.2% compared with the LIBOR + 2% benchmark which rose by +8.2%. The main reason why this fund suffered such a downturn was the property element of its composition.

Staff & volunteers

The number of staff in the UK increased from an average headcount of 36 in 2006/07 to an average of 48 in 2007/08 - reaching a total of 52 at year end. Much of this expansion was in the international department, which recruited an additional nine members during the year. The UK now has a strong, skilled international team to provide support and direction to Brooke operations around the world, enabling them to improve existing work methods and to develop new practices which will bring about lasting improvements in equine welfare.

Volunteers are at the heart of the Brooke's success. Their efforts to generate money to fund the work of Brooke staff overseas and to build awareness of the charity in the UK were channelled through hundreds of local events and close liaison with local newspapers, radio and TV stations. Brooke volunteers work individually and as members of the charity's network of 30 Groups. Some also work hard in the Brooke's London office, making a direct contribution to the success of centrally managed fundraising and publicity programmes. The Trustees and staff of the Brooke are especially grateful to all the individuals who devote so much time and energy to the charity.

Structure, governance and management

The Brooke is a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association.

Board of Trustees

Members of the Board, who are Directors of the Company for the purposes of the Companies Acts 1985 and 2006, are referred to throughout this report as Trustees. The Board of Trustees is the governing body of the Brooke. It met four times in 2007/08. Trustees who served during the year are shown on page 2.

Trustees are appointed in accordance with the provisions of the Articles of Association. They are elected by the members of the Brooke in a General Meeting or co-opted to fill vacancies that may arise from time to time or as additional Trustees. Should a Trustee resign prior to the end of her or his term, a new Trustee may be co-opted to serve the remainder of that term. Trustees retire by rotation at the Annual General Meeting and may offer themselves for re-election.

Trustees do not receive any remuneration for their services.

New Trustees receive an induction pack to enable them to familiarise themselves with all aspects of the Brooke. The pack contains documents relating to the charity's legal and administrative structure, governance arrangements, strategic plan, major policies, principal activities and financial position.

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The induction pack is complemented by oral briefings given to each new Trustee by the Chairman, the Chief Executive and other personnel. New Trustees are also encouraged to visit an overseas operation as soon as practicable after their appointment.

The Board is supported by a Finance Committee, a Nominations Committee and a Remuneration Committee. These met three times, five times and once respectively during the year.

The terms of reference and membership of every Committee is set by the Board of Trustees.

Risk management and internal controls

As part of the annual planning process, the Board reviews the major risks to which the Brooke is exposed and has established systems to manage these risks. It is satisfied that these systems, combined with internal financial controls and the reserves policy, will ensure that sufficient resources are available to maintain the work of the charity for its immediate needs in the event of adverse conditions. The Board and its Committees regularly monitor both performance against the objectives set out in the budget and five year plan and the management of major risks.

The key areas of risk are seen to exist in the areas of loss of reputation, financial control in the UK and overseas, health and safety of staff and Trustees based or travelling overseas, and disaster recovery both in the UK and in overseas centres.

In assessing these risks, the Board has in place key controls that include:

- a clear organisational structure with appropriate levels of accountability and reporting
- delegation of financial authority by the Board to the Chief Executive, within specified limits
- comprehensive strategic planning, budgeting and management accounting
- formal agendas for all Board and Committee meetings
- formal written policies
- clear authorisation and approval levels.

The Board approves a comprehensive annual budget for the Brooke. Performance is monitored against this budget on a quarterly basis, and significant variances are investigated. These variances, together with any revised financial forecasts, are submitted regularly to the Finance Committee and to the Board.

Organisational structure

The Board is responsible for establishing the policies and strategies of the Brooke and the effective use of its resources in accordance with its charitable objects. The Board exercises overall responsibility for the direction, management and control of the Brooke by supervising the work of the Chief Executive and, through him, the staff, so the organisation is run efficiently and accountably. In order to achieve this, the Board reviews all long-term strategic and financial plans together with annual plans and budgets; all major operational and financial policies; and all extensions of the charity's work, whether through the expansion of existing operations, establishment of new operations or collaboration with new partners.

In addition, the Board has to ensure full compliance with all statutory obligations relating to the Brooke and its activities.

Brooke activities are co-ordinated from its headquarters in London. In 2007/08 the London office, with an average of 48 staff led by the Chief Executive, funded and advised all overseas operations and staff (approximately 730) and kept in touch with almost 70,000 supporters in the UK and, through Brooke Netherlands, with over 32,000 active supporters in that country.

Relationships with other organisations

As well as direct Brooke operations in Egypt, Ethiopia, India, Jordan and Pakistan, the Brooke has collaborative partnership projects in Afghanistan, Egypt, Ethiopia, Guatemala, India, Israel and the West Bank, Kenya, Nepal and Pakistan. In Egypt, India and Pakistan the Brooke has independent legal entities, each established and registered in accordance with local law and having their own boards of trustees or directors. Brooke Ethiopia and Brooke Jordan are branches of Brooke UK.

Direct operations in each country are headed by a Chief Executive, Director or General Manager and focus both on the immediate relief of suffering and on the Brooke's long-term goal of achieving lasting improvements in working equine animal welfare. The address of each is shown on the final page of this document.

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The collaborative partnership projects are between the Brooke and third party entities in accordance with the terms of contracts approved by the UK Board which, unless specifically agreed otherwise, restrict the Brooke's commitment to a period of 12 months. Partners' ethics, competence, capacity and philosophical approach to equine welfare are reviewed in accordance with an evaluation protocol.

During 2007/08 the following organisations worked in partnership either direct with the UK or with the Brooke operation in the country concerned:

Afghanistan

Afghanaid

Committee for Rehabilitation Aid to Afghanistan

Dutch Committee for Afghanistan

Egypt

Community and Institutional Development

Ethiopia

Organisation for Relief and Development in Amhara

Guatemala

Equinos Sanos para el Pueblo

India (region)

Action for Women & Rural Development (Uttar Pradesh)

Arthik Vikas Evam Jan Kalyan Sansthan (Uttar Pradesh)

Blue Cross (Andhra Pradesh)

Disha Social Organisation (Uttar Pradesh)

Grameen Evam Krishi Vikas Samiti (Uttarakhand)

Help in Suffering (Rajasthan)

New Public School Samiti (Uttar Pradesh)

Sarvodaya Ashram (Uttar Pradesh)

Shramik Bharti (Uttar Pradesh)

Kenya

Kenya Network for Dissemination of Agricultural Technologies

Practical Action

Nepal

Animal Health Training and Consultancy Services

Palestinian Villages of Israel & The West Bank

Palestinian Agricultural Relief Committees

Safe Haven for Donkeys in the Holy Land

Pakistan (region)

Aga Khan Foundation (Chitral)

Mercy Corps (North-West Frontier Province)

National Rural Support Programme

THE BROOKE HOSPITAL FOR ANIMALS
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and 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 Brooke and of the surplus or deficit of the Brooke for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards 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 charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant audit information of which the Brooke's auditors are unaware. The Trustees have each taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Brooke's auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charity's website.

Auditors

Horwath Clark Whitehill LLP were re-appointed as the charity's auditors during the year, and have expressed their willingness to continue in that capacity.


.....
Chairman
26 September 2008


.....
Director/Trustee

THE BROOKE HOSPITAL FOR ANIMALS AUDITORS' REPORT

We have audited the financial statements of The Brooke Hospital for Animals for the year ended 31 March 2008 (the 'financial statements'), which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes set out on pages 27 to 35. These financial statements have been prepared under the accounting policies set out on pages 27 to 28.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Trustees and auditors

The responsibilities of the Trustees, who are also the charity Trustees for the purposes of charity law, 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) are set out in the Statement of Trustees' Responsibilities on page 22.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

Basis of opinion

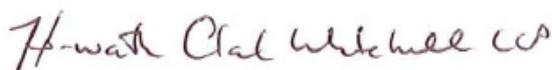
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the Trustees' Report is consistent with the financial statements.



Horwath Clark Whitehill LLP
Chartered Accountants and Registered Auditors
Date 29/3/08

St Bride's House
10 Salisbury Square
London EC4Y 8EH

**THE BROOKE HOSPITAL FOR ANIMALS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008**

	Notes	Unrestricted funds 2008 £	Restricted funds 2008 £	Total 2008 £	Total 2007 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	4	8,924,016	1,583,056	10,507,072	10,441,124
Activities for generating funds		169,360	-	169,360	164,373
Investment income	2c	407,676	4,830	412,506	451,600
Total incoming resources	2d	<u>9,501,052</u>	<u>1,587,886</u>	<u>11,088,938</u>	<u>11,057,097</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income					
Fundraising and publicity		3,151,758	-	3,151,758	2,699,216
Supporter services		640,484	-	640,484	475,064
Fundraising trading: cost of goods sold and all other costs		85,550	-	85,550	110,218
Investment management costs		62,147	-	62,147	53,907
Costs of generating funds	7a, b	<u>3,939,939</u>	<u>-</u>	<u>3,939,939</u>	<u>3,338,405</u>
Net incoming resources available for charitable application		<u>5,561,113</u>	<u>1,587,886</u>	<u>7,148,999</u>	<u>7,718,692</u>
Charitable activities					
Direct intervention to improve equine animal welfare		1,854,802	1,202,309	3,057,111	3,492,242
Prevention of welfare problems		2,796,819	315,376	3,112,195	2,195,075
Information & awareness raising		310,092	-	310,092	123,050
Research		303,118	3,120	306,238	286,050
Total charitable activities	6, 7a	<u>5,264,831</u>	<u>1,520,805</u>	<u>6,785,636</u>	<u>6,096,417</u>
Governance costs	7a, b	<u>108,768</u>	<u>-</u>	<u>108,768</u>	<u>84,879</u>
Total resources expended	2e, 7a	<u>9,313,538</u>	<u>1,520,805</u>	<u>10,834,343</u>	<u>9,519,701</u>
Net incoming resources before other recognised gains and losses	17	187,514	67,081	254,595	1,537,396
Realised loss on investments	11	<u>(106,213)</u>	<u>-</u>	<u>(106,213)</u>	<u>(29,323)</u>
Net incoming resources before unrealised gains and losses		81,301	67,081	148,382	1,508,073
Unrealised (loss)/gain on investments	11	<u>(526,186)</u>	<u>-</u>	<u>(526,186)</u>	<u>275,422</u>
Net movement in funds		(444,885)	67,081	(377,804)	1,783,495
Total funds brought forward	15	<u>14,689,792</u>	<u>405,652</u>	<u>15,095,444</u>	<u>13,311,949</u>
Total funds carried forward		<u>14,244,907</u>	<u>472,733</u>	<u>14,717,640</u>	<u>15,095,444</u>

All the above results derive from the continuing activities of the Brooke. There are no other gains or losses other than those shown above.

The notes on pages 27 to 35 form part of these financial statements.

**THE BROOKE HOSPITAL FOR ANIMALS
BALANCE SHEET
AS AT 31 MARCH 2008**

	Notes	£	2008 £	£	2007 £
FIXED ASSETS					
Tangible assets	2b, 10	125,233		73,825	
Investments	2c, 11	<u>12,946,753</u>		<u>13,754,750</u>	
			13,071,986		13,828,575
CURRENT ASSETS					
Debtors & prepayments	12	683,474		1,068,966	
Cash held on short term deposits		2,857,008		2,393,597	
Cash at bank and in hand		<u>1,432</u>		<u>778</u>	
		3,541,914		3,463,341	
CURRENT LIABILITIES					
Creditors	13	<u>1,896,260</u>		<u>2,196,472</u>	
NET CURRENT ASSETS			<u>1,645,654</u>		<u>1,266,869</u>
NET ASSETS			<u>14,717,640</u>		<u>15,095,444</u>
FUNDS					
Unrestricted income funds:					
General funds	3, 15		8,508,907		14,689,792
Designated funds	3, 15		5,736,000		-
Restricted income funds	3, 14		472,733		405,652
TOTAL FUNDS			<u>14,717,640</u>		<u>15,095,444</u>

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


.....
Chairman


.....
Director/Trustee

26 September 2008

The notes on pages 27 to 35 form part of these financial statements.

**THE BROOKE HOSPITAL FOR ANIMALS
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2008**

	£	2008 £	£	2007 £
Reconciliation of net incoming resources to operating cashflows				
Net incoming resources for the year		254,595		1,537,396
Depreciation		59,820		50,646
Decrease/(increase) in debtors		360,298		(621,395)
(Decrease)/increase in creditors		(300,211)		892,979
Investment income		(412,506)		(451,600)
Donated property		-		(365,000)
Donated shares		(250,737)		(206,008)
Net cash (outflow)/inflow from operating activities		(288,741)		837,018
Returns on investments and servicing of finance				
Dividends received	293,791		296,208	
Interest on deposits	143,910		166,459	
		437,701		462,667
Capital expenditure and financial investments				
Purchase of tangible fixed assets	(111,228)		(86,436)	
Net disposal/(purchase) of investments	1,757,080		(3,726,512)	
(Increase)/decrease in cash held in investments	(1,330,747)		2,018,421	
		315,105		(1,794,527)
Net increase/(decrease) in cash in the year		464,065		(494,842)
Cash at bank and in hand 1 April 2007		2,394,375		2,889,217
Cash at bank and in hand 31 March 2008		2,858,440		2,394,375

The notes on pages 27 to 35 form part of these financial statements.

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

1. BASIS OF PREPARATION

The financial statements of the Brooke are prepared in accordance with the Companies Act 1985, applicable accounting standards as modified by the Charities (Accounts and Reports) Regulations 2005 and the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005).

2. ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below. They have all been applied consistently throughout the year and the preceding year.

(a) Basis of accounting

The accounts are prepared under the historical cost convention, with the exception of quoted investments which are stated at market value.

(b) Tangible fixed assets and depreciation

Items costing £1,000 or more are capitalised and depreciated at the following rates:

Office equipment	25% per annum straight line
Computers	33.3% per annum straight line
Leasehold Improvements	20% per annum straight line or the life of the lease if less than 5 years

(c) Investments

Investments are stated at market value. Realised gains and losses on investments, calculated as the difference between sale proceeds and their market value at the start of the period, are credited or charged to the Statement of Financial Activities in the period of gain or loss. Unrealised gains and losses representing the movement in market values during the period are credited or charged to the Statement of Financial Activities.

(d) Incoming resources

All incoming resources are recognised when the Brooke is legally entitled to the income, is reasonably certain of receipt and the amount can be measured with reasonable accuracy. Entitlement to legacies is the earlier of notification being received of an impending payment, or the payment being received.

(e) Resources expended

Expenditure is classified by reference to specific activity categories, so that all direct costs relating to a specific activity have been aggregated.

Costs of generating funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and the costs directly attributable to managing the Brooke's investments. These costs also include expenditure of an indirect nature necessary to support them.

Charitable expenditure is expenditure directly related to the objects of the Brooke. It includes both costs that can be allocated direct to such activities and costs of an indirect nature necessary to support charitable activities.

Governance costs are those costs associated with meeting the constitutional and statutory requirements of the Brooke. They include the audit fees and costs linked to the strategic management of the Brooke.

Every cost is allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated direct, and others are apportioned on an appropriate basis as set out in Note 7.

Irrecoverable VAT is included as part of the expenditure to which it relates.

(f) Operating leases

Rentals payable are charged on a time basis over the lease term.

(g) Website development costs

The costs of developing the design and content of the website are charged to the Statement of Financial Activities as incurred.

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

2. ACCOUNTING POLICIES (continued)

(h) Pension costs

The Brooke operates a defined contribution pension scheme for its employees. Contributions to the scheme are charged to the Statement of Financial Activities when incurred.

3. FUNDS

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Brooke for particular purposes. The aim and use of each restricted fund and an analysis of the movements on restricted funds is set out in note 14.

Designated funds are amounts which have been put aside at the discretion of the Trustees. General unrestricted funds are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the Brooke. Movement in unrestricted funds is set out in note 15.

There were no endowment funds.

4. VOLUNTARY INCOME

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Donations	4,990,561	1,518,151	6,508,712	5,243,884
Legacies	3,933,455	64,905	3,998,360	5,197,240
Voluntary income	<u>8,924,016</u>	<u>1,583,056</u>	<u>10,507,072</u>	<u>10,441,124</u>

5. LEGACIES

The estimated value of legacies of which the Brooke has been informed, but which have not been included in the accounts (because the conditions for recognition had not been met) is £3,266,000 (2007: £1,860,000).

6. CHARITABLE ACTIVITIES

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Direct intervention to improve equine animal welfare				
Afghanistan ¹	(76,710)	45,163	(31,547)	408,632
Egypt	677,098	509,065	1,186,163	979,506
Guatemala	36,085	1,980	38,065	71,634
India	199,476	174,604	374,080	354,342
Jordan	28,710	53,340	82,050	113,321
Kenya	284,819	17,435	302,254	332,458
Nepal	26,673	-	26,673	-
Palestinian Villages in Israel and the West Bank	102,934	3,713	106,647	72,112
Pakistan	393,777	397,009	790,786	1,052,894
	<u>1,672,862</u>	<u>1,202,309</u>	<u>2,875,171</u>	<u>3,384,899</u>
UK	181,940	-	181,940	107,343
	<u>1,854,802</u>	<u>1,202,309</u>	<u>3,057,111</u>	<u>3,492,242</u>

¹ The reduction in Brooke's liability to one partner in Afghanistan is the cause of a credit to unrestricted expenditure for this country. "Prevention of welfare problems" in Afghanistan is not affected as this activity relates to a continuing partner.

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

6. CHARITABLE ACTIVITIES (continued)

	Unrestricted 2008 £	Restricted 2008 £	Total 2008 £	Total 2007 £
Prevention of welfare problems				
Afghanistan	41,387	-	41,387	43,395
Egypt	190,199	39,963	230,162	126,495
Ethiopia	378,798	143,079	521,877	376,229
Guatemala	109,188	6,271	115,459	94,727
India	390,889	38,150	429,039	172,598
Jordan	15,905	1,279	17,184	21,606
Kenya	348,281	17,435	365,716	307,808
Nepal	27,577	-	27,577	-
Palestinian Villages in Israel and the West Bank	60,060	413	60,473	8,012
Pakistan	364,082	68,786	432,868	431,424
	<u>1,926,366</u>	<u>315,376</u>	<u>2,241,742</u>	<u>1,582,294</u>
UK	870,453	-	870,453	612,781
	<u>2,796,819</u>	<u>315,376</u>	<u>3,112,195</u>	<u>2,195,075</u>
Information & awareness raising				
Egypt	13,510	-	13,510	5,281
Ethiopia	25,231	-	25,231	-
Guatemala	7,750	-	7,750	7,597
India	73,173	-	73,173	-
Kenya	68,670	-	68,670	7,233
Nepal	6,291	-	6,291	-
Pakistan	7,650	-	7,650	7,785
	<u>202,275</u>	<u>-</u>	<u>202,275</u>	<u>27,896</u>
UK	107,817	-	107,817	95,154
	<u>310,092</u>	<u>-</u>	<u>310,092</u>	<u>123,050</u>
Research				
Egypt	1,380	-	1,380	-
India	11,572	1,560	13,132	-
Jordan	-	-	-	3,251
Kenya	1,936	-	1,936	-
Pakistan	960	1,560	2,520	2,935
	<u>15,848</u>	<u>3,120</u>	<u>18,968</u>	<u>6,186</u>
UK	287,270	-	287,270	279,864
	<u>303,118</u>	<u>3,120</u>	<u>306,238</u>	<u>286,050</u>
Total	<u>5,264,831</u>	<u>1,520,805</u>	<u>6,785,636</u>	<u>6,096,417</u>
Sub-totals:				
Direct intervention to improve equine animal welfare	1,854,802	1,202,309	3,057,111	3,492,242
Prevention of welfare problems	2,796,819	315,376	3,112,195	2,195,075
Information & awareness raising	310,092	-	310,092	123,050
Research	303,118	3,120	306,238	286,050
Total	<u>5,264,831</u>	<u>1,520,805</u>	<u>6,785,636</u>	<u>6,096,417</u>

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

6. CHARITABLE ACTIVITIES (continued)

The amounts shown allocated to each country of operation are the total of funds remitted to the overseas centres to cover costs in their own countries and expenditure made on their behalf from the United Kingdom. A full breakdown of this expenditure is not shown in these accounts, but a continuous analysis, comparing actual expenditure against budget, is carried out in the UK. The accounts of each overseas centre are subject to the auditing requirements of the national law of that country.

The amounts shown spent by the UK are costs attributable to the Brooke's charitable activities, but that are not directly allocated to a specific country. They include the allocation of Support Costs as shown in note 7.

An amount of £240,179 in respect of capital expenditure in overseas centres in the year 2008/09 has been authorised but not yet contracted for. £57,945 of this amount is recognised above as part of the Brooke's liability to partners.

7. (a) TOTAL RESOURCES EXPENDED

	Grants £	Direct staff £	Direct other £	Support costs £	Total 2008 £	Total 2007 £
Cost of generating funds:						
Fundraising and publicity	-	755,516	2,025,222	371,020	3,151,758	2,699,216
Supporter services	-	225,666	339,421	75,397	640,484	475,064
Fundraising trading	-	-	85,550	-	85,550	110,218
Investment management	-	-	62,147	-	62,147	53,907
	-	981,182	2,512,340	446,417	3,939,939	3,338,405
Charitable activities:						
Direct intervention to improve equine animal welfare	2,716,004	104,120	212,032	24,955	3,057,111	3,492,242
Prevention of welfare problems	2,000,841	489,982	496,596	124,776	3,112,195	2,195,075
Information & awareness raising	196,295	81,714	23,765	8,318	310,092	123,050
Research	14,274	41,318	242,328	8,318	306,238	286,050
Total charitable activities	4,927,414	717,134	974,721	166,367	6,785,636	6,096,417
Governance costs	-	64,047	44,721	-	108,768	84,879
	4,927,414	1,762,363	3,531,782	612,784	10,834,343	9,519,701
Expenditure in support of activities	-	317,987	294,797	(612,784)	-	-
Total resources expended	4,927,414	2,080,350	3,826,579	-	10,834,343	9,519,701

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

7. (b) UK EXPENDITURE AND BASIS OF APPORTIONMENT

	Fundraising and Publicity	Supporter Services	Cost of Goods Sold	Investment Management	Charitable Activities (UK) (note 6)	Governance Costs	Support Costs	Total 2008	Total 2007
	£	£	£	£	£	£	£	£	£
Staff costs (note 8)	755,516	225,666	-	-	717,134	64,047	317,987	2,080,350	1,584,786
Rent, rates and utilities	102,007	43,022	-	-	68,369	428	77,022	290,848	146,683
Accommodation and travel	19,320	3,343	2,235	-	110,410	7,374	32,452	175,134	106,668
Postage, printing and stationery	826,712	46,623	30,804	-	2,485	803	21,299	928,726	778,240
Advertising and PR	603,491	-	42,742	-	-	-	14,535	660,768	729,629
Professional fees	392,540	186,599	7,070	62,147	298,983	26,567	35,709	1,009,615	886,267
Other	81,152	59,834	2,699	-	83,732	9,549	113,780	350,746	249,936
	<u>2,780,738</u>	<u>565,087</u>	<u>85,550</u>	<u>62,147</u>	<u>1,281,113</u>	<u>108,768</u>	<u>612,784</u>	<u>5,496,187</u>	<u>4,482,209</u>
Reallocation of Support Costs	371,020	75,397	-	-	166,367	-	(612,784)	-	-
Total 2008	<u>3,151,758</u>	<u>640,484</u>	<u>85,550</u>	<u>62,147</u>	<u>1,447,480</u>	<u>108,768</u>	<u>-</u>	<u>5,496,187</u>	
Total 2007	<u>2,699,216</u>	<u>475,064</u>	<u>110,218</u>	<u>53,907</u>	<u>1,058,925</u>	<u>84,879</u>	<u>-</u>	<u>-</u>	<u>4,482,209</u>

Staff costs are allocated by estimated time spent on each activity or department.

Rent, rates and utilities have been allocated on the basis of estimated floor space of each department.

Other costs, when they cannot be allocated directly to an activity or department, have been allocated on the basis of average number of staff per department.

Support Costs are those incurred in connection with the administration of the charitable company. Total Support Costs have been reallocated to Fundraising and Publicity, Supporter Services and Charitable Activities (UK), as the attribution of Support Costs to the remaining categories was considered negligible. This allocation has been based on each activity's proportion of the aggregate expenditure.

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

8. STAFF COSTS

	2008 £	2007 £
Salaries	1,758,328	1,277,504
Temporary staff	34,204	12,931
Social security	181,553	136,163
Pensions and other costs	106,265	158,188
	<u>2,080,350</u>	<u>1,584,786</u>

The average weekly number of persons employed during the year, calculated on a full time equivalent basis, and including staff on maternity leave, was 47.5 (2007: 36). Of these, 17 (2007: 16) were engaged in Fundraising, 6.5 (2007: 5) in Supporter Services, 15 (2007: 9) in Charitable Activities (UK) and 9 (2007: 6) in Administration (includes Support Costs and Governance).

During the year, the number of employees whose total taxable emoluments exceeded £60,000 was:

	2008 No.	2007 No.
Between £60,001 and £70,000	1	-
Between £70,001 and £80,000	1	1
Between £80,001 and £90,000	<u>1</u>	<u>1</u>

The pension costs paid in respect of these employees amounted to £17,953 (2007 £12,175).

9. TRUSTEE EXPENSES

Trustees' expenses reimbursed in respect of necessary duties carried out during the year amounted to £15,613 (2007: £7,030). Eleven Trustees received such reimbursements (2007: eight Trustees). £7,277 (2007: £2,765) related to visits to overseas centres.

Trustees received no remuneration for their services. A trustee indemnity insurance policy was purchased during the year at a cost of £1,234 (2007: £1,675).

10. TANGIBLE FIXED ASSETS

	Computers £	Office equipment £	Leasehold improvements £	Fixtures & fittings £	Total £
Cost					
At 31 March 2007	175,318	4,730	124,437	7,550	312,035
Additions	78,805	867	7,310	24,246	111,228
At 31 March 2008	<u>254,123</u>	<u>5,597</u>	<u>131,747</u>	<u>31,796</u>	<u>423,263</u>
Depreciation					
At 31 March 2007	120,414	4,730	112,311	755	238,210
Depreciation for the year	43,754	163	10,436	5,467	59,820
At 31 March 2008	<u>164,168</u>	<u>4,893</u>	<u>122,747</u>	<u>6,222</u>	<u>298,030</u>
Net book value					
At 31 March 2008	<u>89,955</u>	<u>704</u>	<u>9,000</u>	<u>25,574</u>	<u>125,233</u>
At 31 March 2007	<u>54,904</u>	<u>-</u>	<u>12,126</u>	<u>6,795</u>	<u>73,825</u>

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

11. INVESTMENTS

	2008 £	2007 £
Carrying value (market value) at 1 April	13,754,750	11,229,552
Add: Additions to investments at cost	2,158,981	8,367,019
Less: Disposals at carrying value	(2,334,579)	(6,087,920)
Add: Realised losses on disposal	(106,213)	(29,323)
Add: Unrealised (losses)/gains on revaluation	(526,186)	275,422
Carrying value (market value) at 31 March	12,946,753	13,754,750

The investments shown at their market value of £12,946,753 (2007: £13,754,750) in the balance sheet have a historical cost of £12,240,489 (2007: £12,119,712) and represent investments in the following categories:

	2008 £	2007 £
Fixed interest	2,860,564	3,927,022
UK equities	4,576,682	5,498,059
Overseas equities	3,064,108	2,410,169
Property	493,759	1,298,607
Cash in investment portfolio	1,951,640	620,893
Total	12,946,753	13,754,750

The income received from these investments and from bank deposits was:

Fixed interest	70,212	106,864
UK equities	148,855	140,754
Overseas equities	55,238	42,940
Cash in investment portfolio	51,130	41,082
Bank deposit interest	87,071	119,960
	412,506	451,600

The following investments account for over 5% of the total portfolio value:

Newton Investment Management Phoenix Fund	5,072,415	5,513,537
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12. DEBTORS: amounts falling due within one year

	2008 £	2007 £
Legacies receivable (note 5)	340,977	746,286
Tax recoverable	161,800	189,476
Other debtors	180,697	133,204
	683,474	1,068,966

13. CREDITORS: amounts falling due within one year

	2008 £	2007 £
Amounts committed to grants	1,579,433	1,623,731
Taxes and social security	1,942	2,811
Corporation tax due	2,133	-
Other creditors and accruals	312,752	569,930
	1,896,260	2,196,472

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

14. RESTRICTED FUNDS

	As at 31 March 2007 £	Total Incoming Resources £	Interest £	Transfer £	Total Resources Expended £	As at 31 March 2008 £
Egypt						
Nile Delta operations	78,616	3,000	3,145	-	(78,704)	6,057
Other operations	1,797	47,926	-	377,482	(424,254)	2,951
Vehicles	26,070	50,000	-	-	(46,070)	30,000
	<u>106,483</u>	<u>100,926</u>	<u>3,145</u>	<u>377,482</u>	<u>(549,028)</u>	<u>39,008</u>
India						
Brick kiln operations	-	25,000	-	-	(25,000)	-
Other operations	1,000	28,703	-	164,783	(189,314)	5,172
	<u>1,000</u>	<u>53,703</u>	<u>-</u>	<u>164,783</u>	<u>(214,314)</u>	<u>5,172</u>
Pakistan						
Brick kiln operations	-	95,940	-	-	(58,440)	37,500
Other operations	-	53,060	-	355,855	(408,915)	-
	<u>-</u>	<u>149,000</u>	<u>-</u>	<u>355,855</u>	<u>(467,355)</u>	<u>37,500</u>
Ethiopia						
Gonder operations	9,250	49,974	-	-	(59,224)	-
Vehicles	-	15,380	-	-	-	15,380
Other operations	2,100	43,800	-	52,255	(83,855)	14,300
	<u>11,350</u>	<u>109,154</u>	<u>-</u>	<u>52,255</u>	<u>(143,079)</u>	<u>29,680</u>
Afghanistan	-	-	-	45,163	(45,163)	-
Guatemala	-	-	-	8,251	(8,251)	-
Kenya	3,000	4,611	-	28,878	(34,871)	1,618
Jordan	-	-	-	54,619	(54,619)	-
Palestinian villages	-	-	-	4,125	(4,125)	-
BHA Netherlands	283,819	864,497	25,979	(816,383)	-	357,912
Virtual Gifts	-	276,871	-	(275,028)	-	1,843
Total	<u>405,652</u>	<u>1,558,762</u>	<u>29,124</u>	<u>-</u>	<u>(1,520,805)</u>	<u>472,733</u>

In Egypt, restricted funds were used to fund the running of the three mobile teams and the local office in the Nile Delta area. As the first teams were established later than planned in mid-2006/07, there was a substantial restricted fund brought forward. Interest accrued on the fund has been estimated based on average return for the year on cash deposits. Several replacement vehicles were also funded during the year. The fund remaining at year end is for the purchase of a new vehicle for the Nile Delta in 2008/09 as well as the running costs of one of the new teams.

India and Pakistan had substantial donations restricted to the work of the mobile teams based in the brick kilns of both countries, some of which was donated in the last quarter of the year and so will be spent throughout 2008/09.

For the second year running, a grant was received from WSPA to help fund the operations in Northern Gonder. Restricted donations were also received for Brooke Ethiopia's work in the SNNPR region. The donor of money donated for vehicles in Ethiopia has agreed that this can be spent on new vehicles in Pakistan in 2008/09 as no new vehicles are planned for Ethiopia in the near future.

All donations from Brooke Netherlands are restricted to work overseas. Donations totalling £864,497 were received from Brooke Netherlands in 2007/08. Almost the entire £357,912 balance at 31 March 2008 was remitted overseas by the end of April 2008.

Donations of £276,871 were raised from the sale of Virtual Gifts and were restricted to work overseas.

In the above table, income from both Brooke Netherlands and Virtual Gifts is shown as country non-specific income in the Total Incoming Resources column. It has then been allocated in the Transfer column to the countries where the funds were spent.

**THE BROOKE HOSPITAL FOR ANIMALS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008**

15. MOVEMENT IN UNRESTRICTED FUNDS

	As at 31 March 2007 £	Total incoming resources £	Transfer £	Total resources expended £	Investment loss £	As at 31 March 2008 £
Designated funds:						
Expansion fund	-	-	5,736,000	-	-	5,736,000
General fund	14,689,792	9,501,052	(5,736,000)	(9,313,538)	(632,399)	8,508,907
Total unrestricted funds	14,689,792	9,501,052	-	(9,313,538)	(632,399)	14,244,907

Purpose of designated funds

The expansion fund is to allow for planned expansion of the Brooke's work overseas. This fund was designated in March 2008 by the Trustees and is planned to be spent down over the next 5 years.

16. COMMITMENTS

	2008 £	2008 £	2007 £	2007 £
	Land & buildings	Other	Land & buildings	Other
Operating leases (buildings)				
Within one year	105,177	-	-	-
Within two to five years	-	3,196	87,381	3,483

17. NET INCOMING RESOURCES FOR THE YEAR IS STATED AFTER CHARGING:

	2008 £	2007 £
Auditors' fees (including VAT)	7,250	6,933
Depreciation	59,820	50,646
Operating lease rentals (including VAT) - other	237,533	106,673

18. TAXATION

Brooke Hospital for Animals, as a registered charitable company, is not subject to Corporation Tax, other than on its trading activities if statutory limits are exceeded. A liability of £2,133 is payable in respect of such activities (2007: £Nil). Income Tax suffered by deduction is reclaimed in full from the Inland Revenue. The Brooke is registered for VAT and has partial exemption from VAT in respect of its trading activities.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Fixed assets	13,071,986	-	13,071,986
Net current assets	1,172,921	472,733	1,645,654
	<u>14,244,907</u>	<u>472,733</u>	<u>14,717,640</u>

20. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2007: none).

21. CONTINGENT LIABILITY

As at 31 March 2008, the Brooke had been served notice on its current leases in Broadmead House. As at the date these accounts are signed, we are unable to reasonably estimate a provision for dilapidations that may arise once the lease comes to an end.

THE BROOKE HOSPITAL FOR ANIMALS
CONTACT ADDRESSES

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Registered in England and Wales
Company number 4119581
A company limited by guarantee
A charity registered with the Charity Commission No.
1085760

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INTERNATIONAL OPERATIONS

EGYPT

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