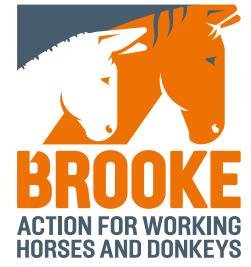


2016/17 ANNUAL REPORT & ACCOUNTS



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In Senegal "Wormaal mala" means "restoring the status of horses and donkeys." By promoting the benefits a working horse or donkey brings to a family, we believe the wormaal mala project will improve how people treat their working animals, now and into the future.

Photo: Freya Dowson



In Pakistan, water is a by-product of coal mining.
With Brooke's support, this is now saved and used to
give the coal mining donkeys a much needed drink.

Photo: Freya Dowson

1 OVERVIEW



1.1 INTRODUCTION FROM CEO

If there was ever a year that Brooke can stand proud and call historic it is this year. When Brooke was established in 1934 to bring compassion to former War Horses, our founder Dorothy Brooke could never have imagined the extent of the legacy and impact of her work.

In what has been an unpredictable year for people and animals globally, not only has Brooke steered a steady course through turbulent times, we have achieved ground-breaking success for working horses, donkeys and mules everywhere.

In the first year of our new Global Strategy 2016–21, we achieved our target set six years ago, of reaching 2 million working horses, donkeys and mules in a single year. This is one of our proudest achievements. We are so grateful to our donors for enabling us to offer support to so many animals. This success, together with the completion of the first of our two year organisational transformation paves the way for the future of Brooke. Increasing our global reach and delivering sustainable improvements are our two strategic goals for 2021. These goals are underpinned by four strategic objectives covering the scale, impact and quality of our work, and the income we raise in order to deliver it.

To achieve this Brooke is embracing the need to grow, develop and transform. As we continue to develop as an international development organisation, how we measure the impact and quality of our work is becoming more sophisticated and insightful. We are making great progress in improving the transparency and accuracy of our data and I look forward to sharing the results of this with you in next year's report. Brooke is committed to robustly proving that the welfare of working horses, donkeys and mules is an ally of humanitarian issues. Working equines are a cornerstone in the livelihoods of millions of the world's poor and marginalised people, enhancing their resilience, prosperity and life chances.

Significant progress on this issue was made this year by securing recognition of two critical factors. Firstly, Brooke's endeavours resulted in the UN Committee on World Food Security recognising working equines as livestock, and secondly that the



Petra Ingram

Petra Ingram
Chief Executive

draught-power provided by working livestock plays a vital role in food security. Prior to this, UN food security policies had only included animals that produce food directly, like cows and sheep.

Seizing this momentous opportunity, Brooke has convened the first formal coalition of leading equine welfare charities to support the understanding and implementation of the new standards in 180 countries.

So thank you to everyone who supported Brooke throughout the year. Without you, Brooke would not be here. Together we are making change happen for the world's working horses, donkeys and mules.

1.2 HIGHLIGHTS OF THE YEAR

2,232,600

working horses, donkeys and mules
covered by Brooke services

85,377

Brooke Supporters

11,957

animals assessed in
welfare assessment

12,001

new Brooke supporters

3

peer reviewed
papers
published

505
pieces of media
coverage

28

presentations
delivered by Brooke
at 14 conferences

34

community
fundraising
groups

180

countries now acknowledge
the new OIE welfare
standards for working
equines

95.5%

of Brooke supporters
are either satisfied or
very satisfied with their
experience as a Brooke
supporter

India

- 772 EQUINE WELFARE GROUPS FORMED
- 673 WOMEN ENGAGED IN INCOME GENERATION ACTIVITIES

Pakistan

- 389 LOCAL SERVICE PROVIDERS TRAINED THIS YEAR
- 59 COMMUNITIES ACHIEVED SUSTAINABLE BROOKE STANDARDS

Afghanistan

- 4,000 NEW EQUINE OWNERS WORKED WITH
- 5,200 SCHOOL CHILDREN REACHED WITH ANIMAL WELFARE MESSAGING

Guatemala

- NEW EQUINE WELFARE PROGRAMME IMPLEMENTED IN 18 NEW COMMUNITIES
- 50% INCREASE IN EQUINE FROG HEALTH

Nicaragua

- 20% REDUCTION IN SEVERE LESIONS IN URBAN EQUINES

Senegal

- 16 FARRIERS TRAINED
- 5,000 EQUINES REACHED VIA PILOT PROJECTS IN BURKINA FASO

Egypt

- 207 EQUINE OWNING COMMUNITIES SUPPORTED THROUGH ENGAGEMENT AND TRAINING

Kenya

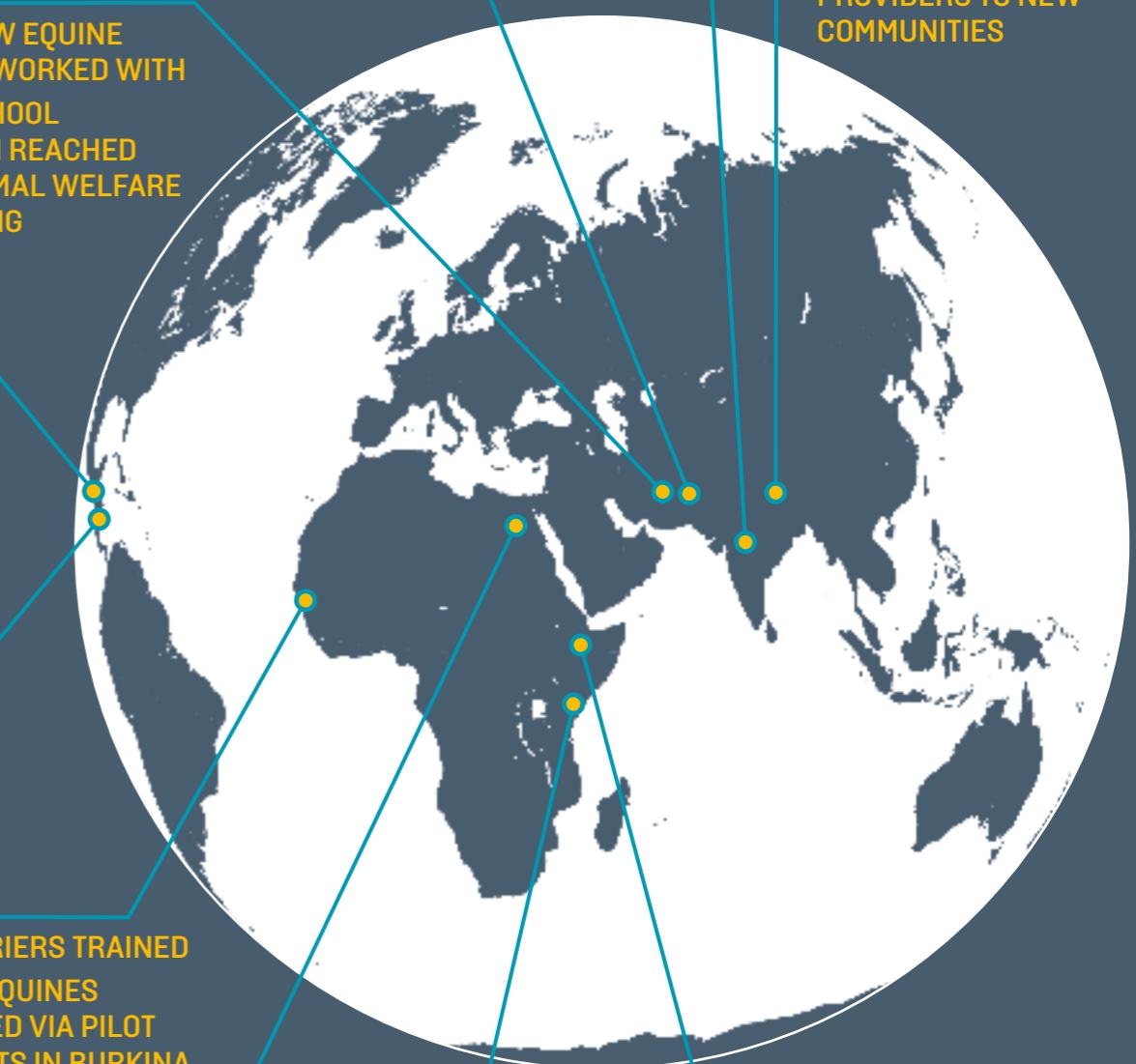
- 15,411 DONKEYS REACHED WITH FOOD AND WATER DURING SEVERE DROUGHT
- 31 FARRIERS TRAINED

Nepal

- 4,637 EQUINE OWNERS PARTICIPATED IN COMMUNITY ENGAGEMENT ACTIVITIES
- 18 INTRODUCTIONS OF LOCAL SERVICE PROVIDERS TO NEW COMMUNITIES

Ethiopia

- 2,700 NEW COMMUNITY CHANGE AGENTS TRAINED
- 421 VETS AND ANIMAL HEALTH WORKERS TRAINED AND MENTORED





1.3 INTRODUCTION TO BROOKE

Working horses, donkeys and mules are indispensable to poor communities in remote and marginalised places around the world. A healthy working animal is an ally to humanitarian issues. It earns money that puts food on the table, sends children to school and reduces the overwhelming domestic burden for women.

From the brick kilns of Nepal and the slate mines of India, to the small farms of Ethiopia and Nicaragua, over 100 million working horses, donkeys and mules are paying the price for their labour with injuries, exhaustion, dehydration and malnutrition.

Brooke is an animal welfare charity with more than 80 years' experience dedicated to improving the lives of working equines. We believe that animal suffering is preventable and that good animal welfare protects human livelihoods. At a local level, our approach empowers local Brooke teams, partners, people, communities and businesses to develop quality, resilience and sustainability into every aspect of equine animal welfare.

We use the evidence from our substantial presence and work across a wider range of countries to influence decision-makers and shape policies that will benefit working equines worldwide.

We are a recognised international authority on equine welfare, working across Africa, Asia, Latin America and the Middle East. Our vision is of a world in which working horses, donkeys and mules are free from suffering.

One-third of Senegal's 15 million people rely on livestock for a portion of their income, and roughly 75 percent depend on agriculture for their livelihoods.
Photo: Freya Dowson

2 STRATEGIC REPORT

There are over 4.7 million horses, donkeys and mules in Pakistan. Many are used to transport people and goods through busy city streets, like this horse in Faisalabad. Breathing problems and road traffic accidents are common.

Photo: Richard Dunwoody

2.1 WHERE WE WORK

Brooke is a global organisation.
We work beyond the borders of our
key countries of operation to make
change happen across the world.

HQ

UK

AFFILIATES

Brooke East Africa
Brooke India
Brooke Pakistan

BRANCHES

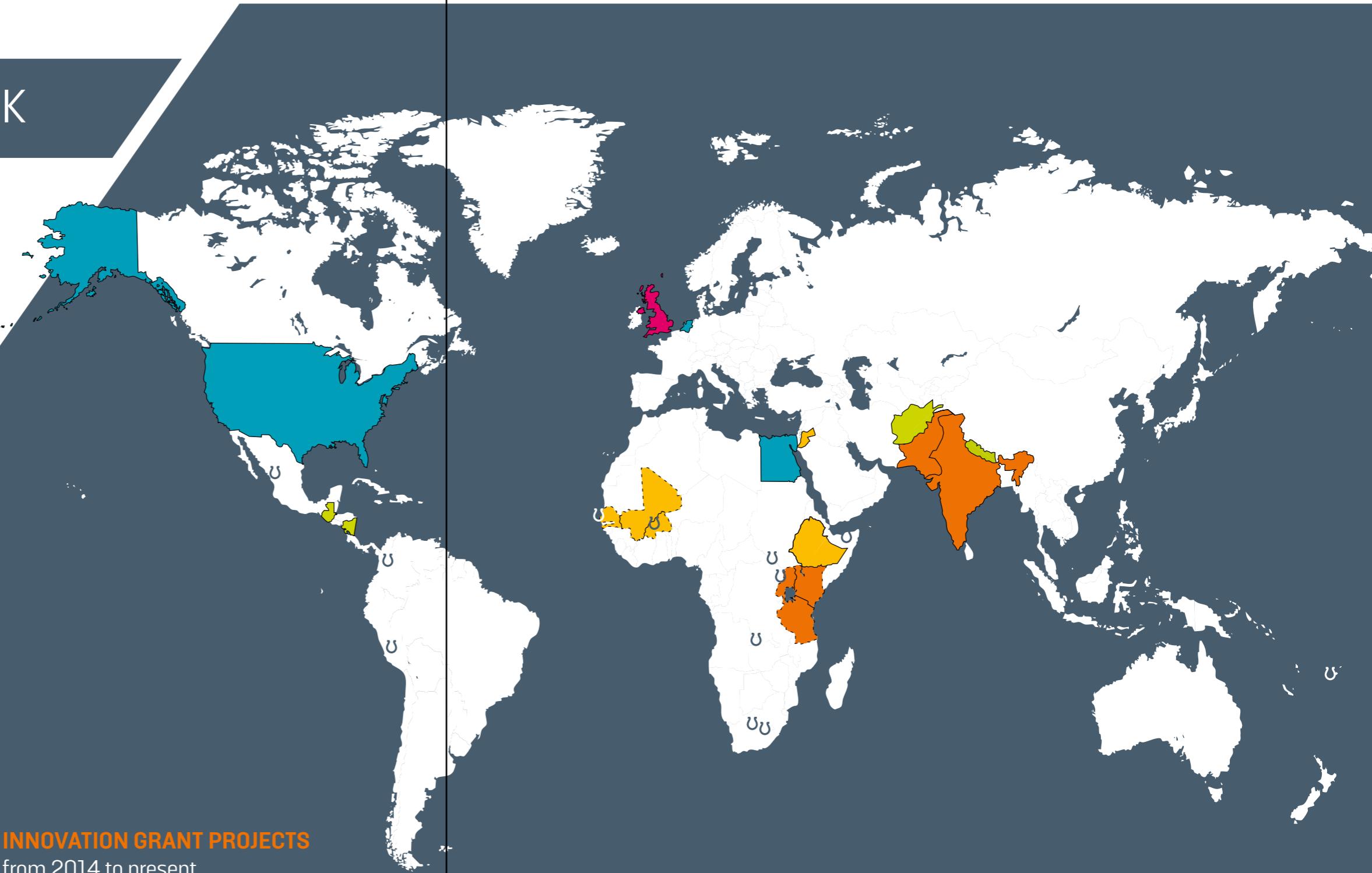
Brooke Ethiopia
Brooke Jordan
Brooke West Africa

CONTRACT PARTNERS

Afghanistan – DCA (Dutch Committee for Afghanistan)
Guatemala – ESAP (Animal Health Training and Consultancy Service)
Nepal – AHTCS (Animal Health Training and Consultancy Service)
OIKOS in Nicaragua

SISTER ORGANISATIONS

Egypt
Netherlands
USA



INNOVATION GRANT PROJECTS

from 2014 to present

The innovation fund enables Brooke to trial new ideas, learn and extend our reach and positive impact on the welfare of more working equines globally.



Burkina Faso
Colombia
Fiji
Lesotho
Mexico
Palestine
Peru

Somaliland
South Africa
South Sudan
The Gambia
Uganda
Zambia

OUR VALUES GUIDE OUR WORK WORLDWIDE
WE ARE PROUD TO BE BROOKE. WE ARE
RESOURCEFUL, SHARE NEW IDEAS AND HELP
EACH OTHER SUCCEED. TOGETHER WE MAKE
CHANGE HAPPEN.



By upskilling and mentoring existing farriers, as well as providing business training, Brooke is safeguarding a sustainable future for farriery services.
Photo: Freya Dowson



2.2 HOW WE WORK

Brooke protects and improves the lives of working horses, donkeys and mules that underpin the livelihoods of millions of people in the world's poor and marginalised communities.

Our work focuses on developing the skills and compassion of the people who use horses, donkeys and mules in their daily life. Our integrated approach puts choice and power in the hands of animal owners, local animal health services and businesses. Practical research and evidence informs and improves our work.

1

Strengthening veterinary services and treatment

Brooke will provide free veterinary treatment where local services are unavailable or unequipped to help, such as emergencies or other instances of severe equine need. Beyond these acute circumstances, our aim is to support local animal health services to develop their skills in equine health and treatment so that owners can get their animals the help that they need when they need it.

Described in our accounts as "direct intervention to improve equine welfare" the total spend on this activity came to £4,154,398 for the year.

When a village paravet in India was unable to identify the cause of escalating symptoms in brick kiln horses, he turned to Brooke India for guidance, who immediately diagnosed Glanders. If left unchecked this highly infectious deadly equine disease can spread quickly devastating an equine population and leaving owners without the means to earn a living.

To enable a faster response to a potential future epidemic, Brooke India vets trained service providers from surrounding villages on how to identify the clinical symptoms of Glanders, and what to do upon diagnosis. A variety of other stakeholders were also included in the sensitisation

programme, including owners and Government Livestock Extension Officers. After Brooke India's training programme, when Glanders symptoms reoccurred Government vets were able to diagnose the disease in 40 horses and the deadly outbreak contained.

Similarly, when Brooke Pakistan first started working in the many coal mines in the Chakwal district in 2015 there were no vets and none of the local paravets had equine healthcare knowledge, so we treated the animals directly. 24 months on, there are Brooke-mentored government vets now treating the coal mine donkeys.

When disaster strikes, Brooke deploys a more direct intervention to prevent suffering. When the Kenyan Government declared a national disaster due to drought in February Brooke East Africa stepped in. Co-ordinating local partners, Agency for Pastoralists Development (APaD) Farm Systems Kenya (FSK) and Kenya Veterinary Associations (KVA), Brooke provided 13,100 donkeys with water, and 800 with hay and also provided vaccinations and other emergency treatments.

Our community-based partners, like UGPM shown here, are our connection to the local community, helping to ensure welfare activities and messages are relevant and appropriate.

Photo: Freya Dowson



Traditional brick kilns remain the backbone of urban development throughout South Asia. Brooke's advocacy brought international attention to the issue at a high level regional policy event in Nepal.

Photo: Freya Dowson

2

Prevention of welfare problems through community capacity building

Brooke works with the people who have the greatest opportunity to improve the welfare of working horses, donkeys and mules. Our capacity building in communities develops skills that unlock compassion for animals and enables people to recognise the benefits that good animal welfare brings to their livelihoods.

Described in our accounts as "prevention of welfare problems" the total spend on this activity came to £5,535,380 for the year.

Most of the welfare problems we encounter are preventable if people behave differently towards animals. This is why Brooke's engagement with people throughout entire communities is so important to making change happen. For instance, in Senegal this year with local Brooke partner Union des Groupements Associes du Niombato (UGAN), we worked to cascade Brooke knowledge through many local channels.

School children between the ages of six to 13 years old are taught the basics of animal welfare and good handling. Innovative teaching techniques, such as 'if I were a horse', help to nurture compassion for animals early in life laying good foundations for the next generation of equine owners.

During community training sessions on equine welfare essentials, Brooke Community Engagement staff look out for local owners who are naturally warm to the concept of animal welfare. Brooke training builds the necessary animal welfare skills and knowledge including handling, how to make tools from local available resources, buying and making tack, and basic first aid. Particularly enthusiastic owners are encouraged to become Animators and share what they have learned with their friends and neighbours. Animators travel from village to village, passing on this knowledge to the people through Relays – representatives living in the villages who are chosen as animal welfare advocates.

Brooke also delivers farrier training to ensure that good quality services are available to animals. As well as technical farriery, local farriers are also trained in animal handling and how to communicate with their customers. By up-skilling existing farriers, Brooke is improving local businesses and embedding sustainable good quality equine support. By combining this with Community Engagement amongst animal owners, Brooke are ensuring that the demand is also there. Relays and Animators help owners understand the need for and benefits of better farriery.

3

Advocacy: Influencing for improved animal welfare

The total spend on this activity came to £1,760,779

This year Brooke's advocacy work made significant progress in addressing the exploitative and hazardous environment of traditional brick kilns. Brooke secured a key meeting held by the All Party Parliamentary Group for India and Nepal at the Houses of Parliament. Guest speakers Dr Dinesh Mohite from Brooke India and Dr Nabin Paudel from Brooke partner AHTCS in Nepal gave first-hand accounts of the role of working animals in traditional brick production. MPs, representatives from NGOs and Central Government attended including the Department for International Development and Department for Environment, Food & Rural Affairs.

As part of the Brick Kiln Advocacy Taskforce, Brooke, Donkey Sanctuary and the International Labour Organisation joined forces to produce the ground-breaking report 'Brick by brick'. The report details the brick production industry in South Asia, by looking at the whole picture of human labour, working animal welfare and the environment collectively. The report also makes key recommendations for instigating sustainable change including leadership commitment, multi-stakeholder cooperation, data collection and research.

'Brick by brick' was unveiled at a high level regional policy event in Nepal in January 2017, hosted by the Government of Nepal. As a result of the report and event, a multi-stakeholder Statement was issued in which Government representatives committed to kick start improvements by collecting further data to increase understanding of the industry and prioritise measures. They also pledged to nominate governmental leads for the brick making industry in each country to cooperate with international partners, including NGOs, trade unions representatives and UN agencies, to develop and implement a plan of action.

4

Practical research

We undertake and commission field research, so we can continually improve our expertise and identify sustainable improvements to animal welfare. The total spend on this activity came to £556,158 for the year. It is essential that Brooke research delivers recommendations and findings that are workable and culturally appropriate for communities around the world.

A common welfare concern in East Africa is mutilations. Among Maasai communities this includes ear notching and clipping, hot iron branding, and nostril and muzzle piercing. At the core of human behaviour change is an understanding of the context, culture and individuals within communities we work with and being able to adapt accordingly.

Brooke's research identified that it was the men of the community who made decisions around mutilations and established two main reasons for why mutilations were done.

The first was community-specific and culturally very important. Ear notches, together with clan and family marks made with hot iron brands represent complex relationships from nuclear to extended family.

These marks have a role in status, food security and deterring intermarriage. Other culturally-led mutilations include ceremonial ritual and traditional treatments.

Understanding the cultural sensitivities behind mutilations enables Brooke to design workable alternatives that local communities are comfortable to implement. Our research clearly indicated that interventions to address how the experience can be made better for the donkey would be more successful than those attempting to persuade tribal people to discontinue the practices. For instance, negotiation about the size of brand used, and delivering wound management training to enable better care after the branding process.

The second reason for the mutilations identified by Brooke research was associated with husbandry and management. Nostril and muzzle piercings were used to control and discipline donkeys. Brooke proposed building community capacity on welfare-friendly handling and restraint will reduce the need for nostril and muzzle mutilations to control the animal and also help to unlock compassion for animals among their owners.



There are over 1.8 million donkeys in Kenya and round one-third is in a poor condition, suffering from work-related injuries, malnutrition and lameness.

Photo: Freya Dowson



Twice a week or more, these Masai women walk for three hours to make the 20km round trip to the river to collect water which is carried home by their donkeys.

Photo: Freya Dowson

2.3 ADVOCACY



With Brooke's influence and technical input the Committee on World Food Security formally acknowledged that the draught-power provided by working horses, donkeys and mules plays an essential role in food security.

Photo: Freya Dowson

Brooke's global advocacy work reached two historic milestones this year. In May 2016, the World Organisation for Animal Health (OIE) introduced the first set of welfare standards for working horses, donkey and mules. Brooke supported the OIE in developing the standards over a three year period, providing expertise and technical input as part of the task force convened by the OIE.

Standards for animal welfare already exist for other animals, such as those used in food production. However, working horses, donkeys and mules have been largely overlooked by governments and policy makers, until now.

The new OIE welfare recommendations relate to food and water provision, shelter, prevention and treatment of disease, handling, equipment, behaviour and general workload. They also extend to care at the end of their working lives. Governments from 180 countries around the world are now responsible for enforcing the new standards alongside the OIE's other standards for animal welfare.

The OIE success was followed swiftly in October 2016, when as a result of Brooke's efforts and technical input the Committee on World Food Security (CFS) formally acknowledged that the draught-power provided by working horses, donkeys and mules plays an essential role in food security. Moreover, draught-power animals were formally recognised in the CFS definition of Livestock. Prior to this, UN food security policies had only included animals that produce food directly, like cows and sheep.

This decision by UN member states is a significant step for working livestock in the UN food security agenda. It also adds huge strength to Brooke's work with national governments to ensure the inclusion of horses, donkeys and mules in their livestock policies and legislation.

Although not law, these landmark changes finally give legitimacy to calls for equine welfare to be improved around the world. The next challenge is to ensure that the standards are first understood and adopted, and then properly implemented in the member countries.

To facilitate the roll out of the new OIE standards, in March 2017 Brooke spearheaded the formation of a formal coalition. Bringing together Brooke expertise with that of Donkey Sanctuary, SPANA and World Horse Welfare.

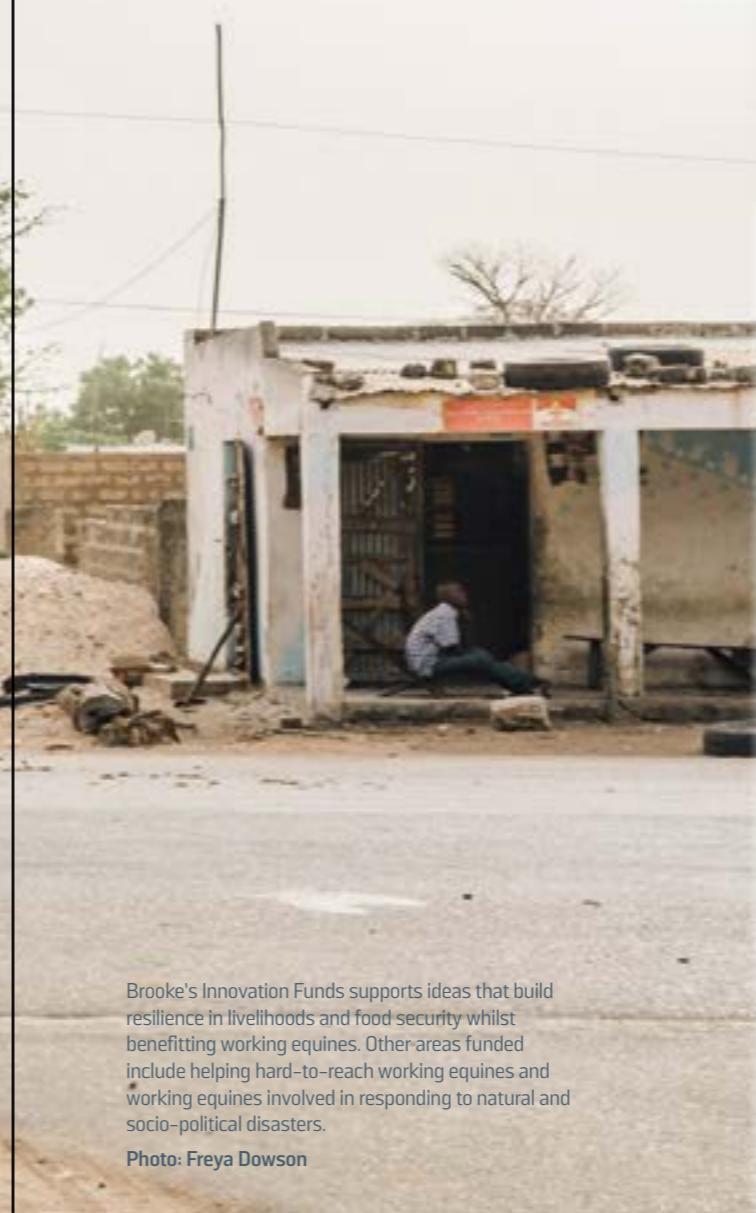
The coalition's goal is to share a wealth of professional expertise and technical know-how by jointly developing training resources and working with governments, academics, communities and professionals to help put the standards into practice within the contexts of different countries, cultures and economies.



2.4 INNOVATION



Innovation is becoming a prominent feature of Brooke after the Innovation Fund was launched, supported by a global series of innovation workshops. Ten projects have been funded at a total cost of £69,375. Brooke scored high on the INGO BOND Innovation survey, ranked 11 out of 47 organisations.



Brooke's Innovation Funds supports ideas that build resilience in livelihoods and food security whilst benefitting working equines. Other areas funded include helping hard-to-reach working equines and working equines involved in responding to natural and socio-political disasters.

Photo: Freya Dowson

Brooke launched our Innovation Project to develop new concepts and ways of working that support our Global Strategy. We are already recognised globally as a leader in developing and delivering sustainable changes for working animals. Our Innovation Project has enabled us to creatively explore, trial and learn from new ideas to tackle some of the most acute and hard to tackle issues.

For example, we know that poor harnessing and traction cause some of the worst welfare issues to horses, donkeys and mules in their daily work. The Innovation Project, through its Fund, supported Farm Animal Centre for Education (FACE) in South Africa. This local organisation supports smallholder farmers to use donkey traction effectively and compassionately for agriculture, transport and other local enterprise. The small project enabled by Brooke's Innovation Fund supported the development of donkey-friendly harnessing, called the Power-Set.

FACE's roll out of the new donkey harnesses, combined with training for owners in order for them to be able to train their peers, has resulted in genuine 'buy-in' of this new approach. Farmers have literally had 'light bulb' moments when they see that the donkeys respond so well to pulling heavy loads without pain, without faltering, without injury. The approach addresses sustainability and affordability too – harness can be made and repaired using recycled plastic bags and straps. Crucially for resource poor areas, our innovation project with FACE demonstrates that simple solutions can bring great benefits to donkey welfare. The results and products from our innovation funding will be shared in other countries to extend the positive impact of this work.

The Innovation Fund itself created a transparent and accountable process for the review and decisions on the allocation of resources that can be replicated by Brooke organisations globally. Overall, the collaboration catalysed by our commitment to innovation has enhanced Brooke's working culture by championing transparency, value for money and finding solutions together.

This year we have partnered with Christian Aid, Vets Sans Frontiers-Suisse, BOND, Send a Cow and World Horse Welfare on Innovation Fund projects. The learnings have been rich and our experiences have encouraged us to approach other organisations working in agriculture and human development to integrate equine welfare.

In total Brooke UK invested £70,000 across 10 projects. So far, five projects have been completed, one has had a no-cost extension and four will be completed in 2017/18.

2.5 WHAT WE HAVE ACHIEVED

Our 2016–2021 global strategy is about reaching more working horses, donkeys and mules and making sustainable change happen in equine animal welfare worldwide.

In the first year of our global strategy we made good progress on each of our strategic objectives by delivering the operational priorities set out in last year's annual report.

1

SCALE

we will do more work with more animals in the most need

The 'Global Hoof Print' strategy was approved for use across the organisation. The strategy provides a consistent approach to how we identify and decide where we work.

Across our areas of operation this has manifested itself in different ways to best suit the local contexts. For example, in West Africa we have developed our network of partnerships to a total of five in Senegal, which now includes a rural agricultural association called Fapal. In addition to our direct work in India, our reach was extended further through 22 partners with the establishment of around 500 new working equine groups.

In partnership with DCA, 40,000 equine owners accessed affordable services in Afghanistan as a result of Brooke trained providers. In Nepal, our local partner AHTCS expanded their work to the Jumla region, integrating their service provision work within the District Livestock Offices, training and building capacity with government vets. In Guatemala, where we have a long term partnership with ESAP, new work commenced in the Dry Corridor region implementing the Equine Welfare Programme in 18 communities of Zacapa and Chiquimula.

Brooke is proud that the implementation of by-laws in 13 counties in Kenya, Oromia in Ethiopia, and nationally in Senegal have enabled us to extend the impact of our work even further. Our work in India has also made a key contribution to government supported health care surveillance and support against Glanders in the UP state.

CHALLENGES

Financial constraints resulting from the devaluation of Sterling have been considerable. In response budgets have been held at previous year levels and some programmes have been reduced. Redistribution of budget to reduce risks to programme impact and improved efficiency planning have been positively embraced by the International Senior Leadership team. At the end of the year, a decision was taken to reduce staffing at our head office in London in order to rebalance costs and make more funds available for our overseas work and positive impact for working equines.

Brooke East Africa uses Kenya's National Donkey Day on 17 May to encourage donkey owners and users to value them as important animals which need to be taken care of.

Photo: Freya Dowson

2

INCOME

we will grow income and awareness

Growth in our supporter income was sustained by the generosity of those who chose to remember Brooke in their Will. Our legacy stewardship programme was stepped up and three trustees confirmed their legacy support to Brooke. We postponed our audience diversification programme due to financial constraints and invested in attracting new donors from existing audiences. We commenced new activity to engage UK equestrian audiences through increased coverage in equestrian media and a new fundraising opportunity for horse-riders called 'My Hackathon'.

Our plans to diversify our income streams progressed and we are delighted to report that we had our first application to an institutional funder approved ahead of our target date of September 2017. "Friends of Brooke" is another new fundraising initiative, developed to encourage increased engagement and support from key donors.

Within our supporter insight and loyalty programme, we completed the implementation of our Supporter Journey project. All Brooke supporters on our database have a personalised plan to help us communicate with our donors in line with their preferences.

Our new brand communications are having a major impact on increasing awareness of Brooke. Our prompted awareness levels ended the year at an all-time high of 18% in the general public and 24% in our existing target audience. Brand roll out overseas is progressing well.

CHALLENGES

The landscape for charity fundraising in the UK has changed forever. Following the 2015 tabloid coverage of the death of charity donor Olive Cooke came a summer of negative media sentiment about fundraising ranging from large charity exposés to malpractice in charity telephone fundraising and the sale by charities of donor data.

Brooke has researched and developed our position on how we will approach compliance in the lead up to the General Data Protection Regulation implementation in May 2018. With further advice pending from regulatory bodies Brooke continues to mitigate risks to future income generation by ensuring our approach to compliance will enable us to continue to communicate with our supporters.



3

QUALITY

we will ensure Brooke standards of quality achieve sustainable change

Quality programmes continued to be developed by focusing on three of the five organisational enablers set out in our global strategy, specifically Building Animal Welfare Capacity, Advocacy and Evidence.

Highlights of our collaborative, cross organisational animal welfare capacity building include the creation of an Animal Welfare Ethical Review Board (AWERB), and piloting a new e-learning platform.

Externally, Brooke staff shared their expertise and knowledge at the first ever Human Behaviour Change for Animal Welfare conference. With ten presentations on our work in East Africa, Ethiopia, Guatemala, India, Pakistan as well as Brooke-wide initiatives, Brooke made major contributions to animal welfare capacity building and raised our expert scientific profile internationally.

This year we created a global advocacy team to better engage with international institutions and

enable Country Programme teams to directly address opportunities in-country.

We sustained our efforts towards evidence-based interventions. Across our global network, the Research team supported the publication of three peer-reviewed pieces of work and 28 presentations of Brooke work at 14 national and international conferences worldwide.

Our commitment to verifying a link between improved human livelihoods and better animal welfare resulted in initial research and ongoing development to establish the relevant evidence.

CHALLENGES

The growing trade in donkey hides presents a significant global challenge to animal welfare.

4

IMPACT

we will be accountable to our donors and beneficiaries by measuring our impact

Impact and accountability systems continue to be developed by focussing on two of the five organisational enablers set out in our global strategy, specifically organisational development and evidence.

The strategies of Brooke Branches and Affiliates were aligned to the Global Strategy through a series of international workshops and training. In addition, for the first time four-year plans were developed by our country programmes using Results-Based Management (RBM). Detailed budgets from Branches and Affiliates were developed alongside these plans, which will help to facilitate larger grant applications in the future.

We have developed an integrated corporate performance framework, including organisational and operational key performance indicators that will report on our performance on strategy implementation and organisational health in 2017/18.

The Effectiveness Framework pilot was completed in East Africa and used to inform the further roll out to all Branches and Affiliates. Upon completion Brooke will have automated data collection and reporting on our work.

A consistent approach to project management has been implemented and a Project Governance Board created to oversee the implementation and delivery of strategic initiatives.

CHALLENGES

The introduction of RBM and the new multi-year planning process has inevitably had challenges, as is usually the case when transitioning to new ways of working. Significant efforts have been made to support staff through this transition through regular communications, workshops and capacity building in Monitoring and Evaluation skills. The introduction of multi year planning using RBM represents a bold step forward for Brooke in terms of ensuring our processes, products and services all contribute to the achievement of our strategic objectives.



Brooke's Community Engagement helps owners release their compassion for their animals.

Photo: Freya Dowson

The initial pilot of Brooke's Effectiveness Framework was completed in Kenya this year.
Photo: Freya Dowson

2.6 FUNDRAISING STANDARDS

Brooke's work to reduce and prevent animal suffering wholly depends on the generosity of our supporters, many of whom have chosen to donate to Brooke over several decades. We are proud that this year, our annual survey told us that 95.5% of Brooke supporters are either satisfied or very satisfied with their experience with Brooke.



In Nepal it is estimated that 100,000 working horses and donkeys play an important role in supporting the livelihoods of approximately one million people.
Photo: Freya Dowson

Brooke is registered with the Fundraising Regulator and we are committed to achieving high standards and transparency in all our fundraising activities. We respect the rights, preferences and privacy of our donors and the wider general public. More information about our Fundraising Promise is easily accessible on our website www.thebrooke.org/get-involved/fundraise/our-fundraising-promise, along with information about getting in touch to give feedback and making a complaint.

We believe in being open and honest, and we value all feedback. This year we received 154 fundraising-related complaints, a decrease of 17% from the previous year. We are pleased to report that 100% of these complaints were resolved and none needed to be escalated to the Fundraising Regulator. The majority of these complaints were about the frequency of contact. In these instances we asked for up to date information about how the person complaining would like to be communicated with, amended their record and put their preferences into action.

We are sensitive to the changing financial demands on everyone, especially vulnerable people, and how this may affect their capacity to support us. To make sure that we keep on adapting and improving to meet supporter aspirations and fundraising regulations effectively, we have convened a Data Protection steering group and a Compliance group.

Both groups bring together people from across the charity to make sure that the supporter-voice is heard throughout the organisation and to work together to address these important issues holistically.

Over the last three years we have been developing and refining the supporter experience with Brooke. Looking at how supporters engage with Brooke, we tailored our communications to groups of supporters, and offer carefully selected giving and involvement opportunities based on everything we know about their interests and preferences.

It is important to us that those acting on our behalf reflect our values as an organisation and as such we are working hard to ensure that we have robust contracts in place with external organisations specifying that staff carrying out any fundraising activity on our behalf should be trained to adhere to all relevant laws and codes, such as the Fundraising Regulator's Code of Practice and the Data Protection Act.

We also expect these organisations to voluntarily subscribe to the Fundraising Regulator and their relevant trade body, such as the Direct Marketing Association, Institute of Fundraising and Institute of Legacy Management. We undertake regular training of our fundraising suppliers and monitor their work for us, for instance through listening to recorded telephone calls and 'mystery shopping'. Our goal is to make sure that our fundraising is being delivered with integrity and respect and in ways that enable supporters to have control of their engagement with us and a good experience overall.

2.7 MEASURING OUR IMPACT

It is essential to us that we are accountable to our donors and beneficiaries by measuring the impact of our work. Historically, we have reported this as coverage and uptake of Brooke services. Coverage refers to the number of animals within Brooke areas of operation that could access our services. Uptake refers to the number of direct beneficiaries, specifically working horses, donkeys and mules, using Brooke services. This is the last year Brooke is presenting coverage and uptake figures in this way. We are committed to improving the measurement of our impact, outcomes and outputs to further increase our accountability.

In our new Global Strategy 2016-21, Brooke has improved how we measure the impact of our work towards our strategic goals of Global Reach and Sustainable Improvement. Global Reach will combine two measures: the number of equine animals directly targeted by Brooke to improve their welfare through structured, regular community engagement activities which include a follow-up system, organised or sponsored by Brooke; and an estimate of the number of equine animals

that will benefit from the systemic changes Brooke achieves at a local and international level.

The Sustainable Improvements achieved through Brooke's work will be measured through the specific welfare improvements made. These will be identified by our Standard Equine Based Welfare Assessment Tool (SEBWAT) incorporating a range of 40 animal-based measures of relevance to working equines welfare plus some additional data identifiers.

These refined definitions and more accurate measurements are part of a wider effort for Brooke to continually improve transparency and accountability to donors and to better reflect the equines and people benefitting from our direct and indirect interventions. From next year, Brooke will present the impact of our work using this results-based beneficiary approach. This means we can provide evidence of the numbers and results of our interventions. We are pleased to be leading the way by increasing the accuracy and accountability of measurement practice in the animal welfare sector.

COUNTRY	COVERAGE	UPTAKE
AFGHANISTAN	72,300	40,114
EAST AFRICA	304,000	91,258
EGYPT	222,200	196,948
ETHIOPIA	445,200	293,332
GUATEMALA	7,000	4,842
INDIA	405,500	231,818
NEPAL	31,900	18,010
NICARAGUA	4,200	2,100
PAKISTAN	648,800	384,308
WEST AFRICA	91,500	20,261
GRAND TOTAL	2,232,600	1,282,991



2.8 LOOKING AHEAD TO 2018



2017/18 is the second year of our new Global Strategy, and the final year of our period of transformation before our focus moves to expanding our future impact. In order to progress towards our strategic goals of global reach and sustainable improvement, we will deliver the following activities under each of our four strategic objectives; scale, income, quality and impact, and our organisational enablers

Our key operational objectives for the next 12 months are set out below.

1: SCALE

Do more work with more animals in the most need.

- Three Brooke Affiliate organisations will be operating independently under new agreements and compliant with policies and multi-year grant plans
- Brooke Branches in Ethiopia, Nicaragua and West Africa deliver compliant, effective work that complements the global portfolio
- Independent organisations are partnering with Brooke to include working equines and extend our reach
- A strong and coherent global team is established resulting in high performance teams and brand awareness
- Demand for donkey hides is reduced through coordinated efforts with other relevant organisations

2: INCOME

Grow income and increase awareness.

- Fundraising efficiency achieved by delivery of net income of £12.8m at a cost/income ratio of 34.5%
- Ensuring Brooke remains fully compliant with all regulations, in the changing external fundraising environment
- Awareness and propensity to support Brooke is built among key target audiences

3: QUALITY

Deliver high quality programmes.

- Promote the animal welfare agenda in relation to food securing and sustainable agriculture, resilience and disaster response, and global animal health
- Global projects, for example standard setting and training, support international consistency
- Brooke's Theory of Change and its application in implementing the Global Strategy is understood across the organisation

4: IMPACT

Increase accountability to donors and beneficiaries.

- Brooke MEAL framework (monitoring, evaluation, accountability and learning) is implemented to enable measurement of impact
- Global financial accounting system and common chart of accounts supports efficient and effective monitoring and reporting
- Brooke UK finance staff provide effective counsel, efficient systems and processes, and safe-guard resources

5: ORGANISATIONAL ENABLERS

The success of our strategy depends on improving how we operate as an organisation.

- Employee engagement is improved by the development of effective leaders
- Staff capacity is increased through the creation of a self-organising UK learning environment and support to Brooke's international network, specifically Pakistan, Ethiopia and Nicaragua
- Guidance and training to support compliance with evolving data protection legislation is provided
- Transparency of governance across Brooke network is improved, specifically delegation, policies and the governance manual

Alan Joseph and his son Philip on their epic motorcycle ride; Brooke Patron Alastair Stewart OBE; Brooke Global Ambassador Charlotte Dujardin OBE; Porridge the donkey with Brooke CEO Petra Ingram and our Aberdeenshire Community Group meeting Joey from War Horse; Chantelle Brandwood running Hadrian's wall for Brooke.

2.9 OUR SUPPORTERS & OUR PEOPLE

In a globally unsettled year the passion and commitment of a diverse group of brilliant supporters have enabled us to grow our profile, maintain our income levels and transform the lives of millions of working equines and the communities that they support.

As part of Her Majesty The Queen's 90th birthday celebrations, Brooke was honoured to be featured in Her special commemorative birthday album. We are always appreciative of the support shown to us from the Royal Family and were delighted when HRH The Duchess of Cornwall announced that she would extend her Brooke Presidency for another five years.

In April award-winning news broadcaster and renowned horse-lover Alastair Stewart OBE became our Patron. Alastair helped us launch our new strategy and went on to support us at many events throughout the year, from our Supporter Day to an All Party Parliamentary Group meeting about the role of working equines in the global brick kiln industry. Our Global Ambassador Charlotte Dujardin OBE continues to champion our work to horse-lovers around the world and has helped us engage many more supporters.

Our Supporter Day in February 2017 provided a rare opportunity for representatives from Brooke programmes in India, Pakistan, Kenya, Senegal and Ethiopia to speak directly to our UK supporters about the work they do.

We are delighted that the number of Community Fundraising Groups rose by four to a total 34 groups in the UK. Our growing band of generous DIY fundraisers out-did themselves this year. Among many wonderful endeavours on behalf of Brooke, we saw eight runners take on the London Marathon, a father and son ride 3,000

miles around the UK on motorbikes and one brave ultra-marathon run along Hadrian's wall!

We are also very grateful to our animal supporters and in July we received the sad news that Brooke's Aberdeenshire Community Fundraising group's best known member, Porridge the donkey, passed away peacefully aged 38. Porridge helped raise £150,000 in his lifetime.

We are grateful to every one of our 85,377 individual supporters who are responsible for more than half of our income. Many people do us the honour of remembering Brooke in their Will, a kindness that enables us to do so much. For example, the very generous gift left to us by Mrs Jill Lesley Thomas will be used to fund projects in Africa.

Brooke also benefits from the support of many charitable trusts and foundations. This includes longstanding support from the Alborada Trust, which funded the final year of a multi-year commitment to equine welfare projects in Kenya and Pakistan, and the Phoebe Wortley Talbot Charitable Trust which funded various projects including specialist farriery training, Brooke Journal, the Working Equid Formulary, and the development of standardised equine treatment protocols. The Hatcher Animal Welfare Trust supported Brooke for the first time with a new project promoting drought resilience in Kenya.

We are indebted to the Trustees of the Sir Peter O'Sullivan Charitable Trust for a generous grant to our work in Kajiado County, Kenya. We were delighted to have the opportunity to accompany Trustee, Geoffrey Hughes, to visit Kajiado and see first-hand the impact of the Trust's most recent award.

Our Trustees donate their time and invaluable experience to oversee Brooke's work and provide guidance in these changing times. We have an average of 108 members of staff in our UK office and Brooke's international network of affiliates, partners, branches and sister organisations employs just under 1,000 people in total.

On behalf of the animals and communities we serve, we would like to express our heartfelt thanks for all this vital support.





3 FINANCIAL REPORT

Guatemala is a country with high levels of poverty, particularly in rural areas within indigenous communities. Brooke's partner in Guatemala aims to extend its reach to 40 communities in the next 12 months.

Photo: Enrique Urdaneta-Alamo

Trustees' administrative report

The Trustees of Brooke present their Annual Report for the year ended 31 March 2017 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report under the 2006 Act, together with the audited financial statements for the year.

Objectives and principal activities

The objectives, principal activities and future developments of the charity are described in the objectives and activities section of the trustees' annual and strategic report, starting on page 12.

Reference and administrative details of the charity, its trustees and advisers

The Brooke Hospital for Animals is registered with the Charity Commission as a charity and with Companies House as a company limited by guarantee. The Brooke Hospital for Animals is governed by its Memorandum and Articles of Association.

Company Number No: 4119581

Registered as a Charity in England and Wales No: 1085760

Registered Office and main operational address
The Brooke Hospital for Animals 5th Floor, Friars Bridge Court 41-45 Blackfriars Road London, SE1 8NZ

SENIOR LEADERSHIP TEAM

CHIEF EXECUTIVE OFFICER
Petra Ingram FCMA

DIRECTOR OF ANIMAL WELFARE AND SUSTAINABILITY
Dil Peeling

DIRECTOR OF PLANNING AND PERFORMANCE
Lesley Young

DIRECTOR OF INTERNATIONAL PROGRAMMES
Harriet Dodd

DIRECTOR OF FINANCE AND INFORMATION SERVICES
Shailesh Patel ACMA

DIRECTOR OF FUNDRAISING AND COMMUNICATIONS
Jasvir Kaur

BANKERS
Barclays Bank PLC 50 Pall Mall London, SW1A 1QD

AUDITORS
Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London, EC4Y 8EH

SOLICITORS
Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London, EC2V 6BB

INVESTMENT FUND MANAGERS
James Hambro & Partners LLP
Ryder Court
14 Ryder Street
London
SW1Y 6QB

PRESIDENT

HRH The Duchess of Cornwall

HONORARY VICE PRESIDENTS

Dr David Jones MRCVS
Ms Ann Searight
Mr Denys Bennett

PATRONS

HRH Princess Alia bint Al Hussein of Jordan
Alastair Stewart OBE

AMBASSADORS

Charlotte Dujardin OBE
Ms Emma Milne MRCVS
Mr Nigel Payne
Monty Roberts
Major Richard Waygood MBE

TRUSTEES

CHAIRMAN

Major General Sir Evelyn Webb-Carter KVCO,
OBE DL

DEPUTY CHAIRMAN

Mr Stephen Savage (3, 4)

HONORARY TREASURER

Mr Paul Elphick FCA (1,2)

Ms Sarah Arnold (3, 5)
Dr Belinda Bennet (3, 5)
Mr Richard Britten-Long (1)
Mr Peter Coe (1, 2, 4)
Dr Graeme Cooke (3, 5)
Mrs Jane Holderness-Roddam CBE, LVO
Mrs Angela Horsman (2, 3)
Mr Ian Kerr (1)
Professor Cheikh Ly (5)
Sir David Madden KCMG (3, 4)
Mr John Edward Rege (3, 5)
Mr Michael Seton (3)
Mr Anant Shah (3)
Professor Natalie Waran (4)

1. Member of Finance Committee
2. Member of Remuneration Committee
3. Member of Governance Committee
4. Retired on 12 October 2016
5. Appointed on 12 October 2016

Brooke Ambassador Richard Waygood MBE visited Brooke's partner AHTCS in Nepal this year.

Photo: Freya Dowson



3.1 FINANCIAL OVERVIEW & STRATEGY

During 2016/17, Brooke achieved an all-time high income level of £19.5m. The charity was also able to fulfil its annual grant commitments, despite the higher costs of funding country programmes as a result of Sterling's devaluation. In light of the higher costs, the charity has maintained the following year grants at similar levels to the 2016/17 and realigned organisational priorities and resources to ensure the successful delivery of the strategy.

TOTAL INCOME

Total income was £19.5m (+18% vs 2015/16) with legacy income at £10.1m (+36 % vs 2015/16) as a result of receiving three large bequests. In spite of the changing fundraising environment, Regular Giving Donations at £9.1m has seen a modest increase of +1% versus last year.

The legacy pipeline (i.e. the estimated value of legacies we have been informed of but not included in the accounts due to income recognition criteria not being met) is £9.4m that compares to £7.4m in the prior year.

GAIN ON INVESTMENT ASSETS

The returns from our investment portfolio are two-fold and received in the form of interest and dividends which is recognised as income. The underlying market value of the investment asset, which is shown in Note 9 in our accounts, reports an unrealised gain of £1.1m (vs £0.1m 2015/16) and reflects the market following political and economic uncertainty in the previous year.

Chart 1 provides an analysis of the total resources expended in 2016/17, that included a provision for the realignment of the organisation across the categories.

FUNDRAISING ACTIVITIES

Investment in fundraising activities of £7.3m has increased by 12% versus prior year but below the planned level of expenditure in the first year of the 5 year strategy, as the charity reprioritised activity in anticipation of regulatory reforms. The filling of vacancies part way through last year, redundancy costs and increased activity has resulted in higher expenditure compared to 2015/16. The fundraising portfolio has been reviewed and prioritised according to the growth potential of the different channels. Organisational resources have been realigned to sustain the delivery of income which is a critical success factor in achieving Brooke's strategy.

CHARITABLE ACTIVITIES

Total expenditure on charitable activities is comparable to prior year at £12.7m. The devaluation of Sterling against other currencies resulted in the charity's costs increasing in purchasing foreign exchange to remit funds to affiliates, branches and partners. Charitable expenditure is at similar levels to last year following the write back of a provision.

Chart 2 is an analysis of Charitable activities by thematic areas.

Approximately 32% of brick kiln equines in Nepal are below 3.5 years old and include foals.

Photo: Freya Dowson



CHART 1 TYPES OF EXPENDITURE

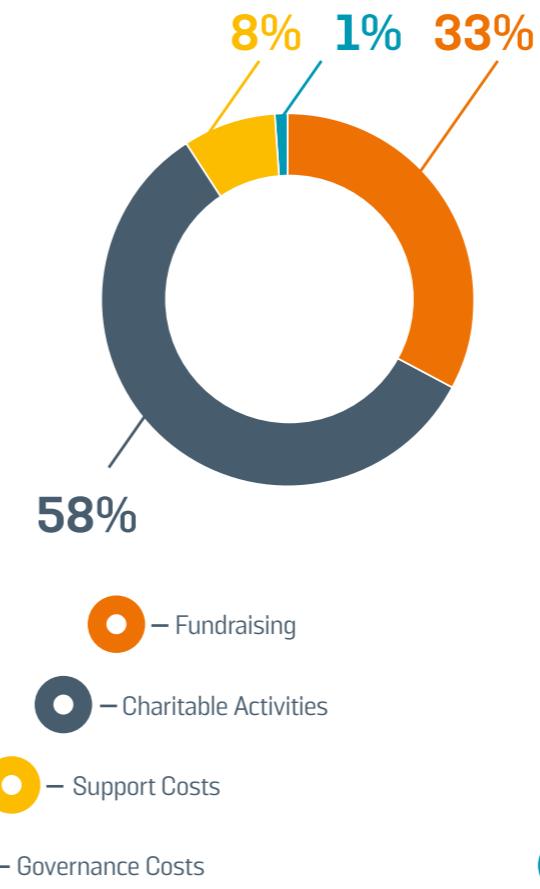
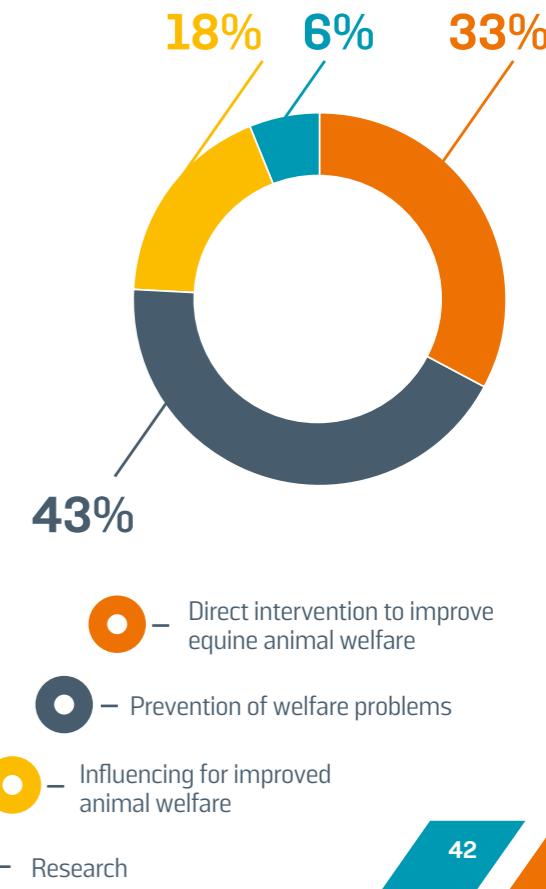


CHART 2 CHARITABLE ACTIVITIES BY THEMATIC AREA





SUPPORT AND GOVERNANCE COSTS

Support includes the cost of teams within finance, human resources and information systems together with investment in staff learning and development, legal costs and centralised staff recruitment costs.

Support costs of £1.7m, is an increase of £0.3m versus 2015/16 as a result of implementing initiatives that support delivery of the new Strategy, such as the alignment of the financial system across branches and affiliates and results based planning and budgeting. An analysis of support costs is provided at note 4a to the accounts.

In accordance with charity accounting practice, support costs are allocated to other costs based on each activity's proportion of the aggregate expenditure. Support costs represent 8% of total resources expended and Governance costs represents 1% of total resources expended.

Dehydration is a major issue for working equines where Brooke works. In our more established countries like Pakistan, Brooke would provide infrastructure like water troughs. Now we encourage communities to invest in the welfare of their animals.

Photo: Richard Dunwoody.

RESERVES POLICY

The Board of Trustees reviews and agrees the reserves policy annually and completed the last review in December 2016. Total Funds held at 31 March 2017 amounted to £11.1m.

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

- Ensure the future security of the Brooke by retaining sufficient funds to enable it to function effectively in the short term, while ensuring these funds will continue to be applied to the pursuit of its charitable objectives in the long term.
- Fulfil the Brooke's obligations to beneficiaries and employees to sustain long-standing large-scale projects with recurrent operating costs.
- Provide funds for the expansion of overseas charitable activities, particularly in the target regions of Africa, Asia and Central America

The reserves fall into two main categories:

Restricted funds

When donors stipulate how their donations may be spent these funds are restricted to those initiatives. In some cases there will be a slight time lag between when such funds are received and when they are expended. At 31 March 2017, restricted funds totalled £0.2m.

Unrestricted funds

Generated when the donors do not stipulate how the income may be spent and the funds support the charity to carry out its work. The Unrestricted funds are divided into two further classifications:

A) DESIGNATED FUNDS

The Board of Trustees approved the Brooke's new 5 year Strategy at the end of 2014 with two key goals;

- Global Reach: reach more working horses, donkeys and mules worldwide
- Sustainable Improvement: programmes that deliver sustainable change

The Designated funds at 31 March 2017 were £2.8m an increase of £0.4m versus last year due to higher than anticipated income and write back of provision. The Trustees anticipate the designated funds to be utilised over the coming two years given the uncertainty of Sterling's recovery against other currencies and therefore higher costs of rising foreign currency.

The funds would ensure the charity is able to maintain country programme funding, deliver initiatives that evidence our impact, drive sustainable improvement and balance investment in the fundraising portfolio.

B) GENERAL RESERVES

Funds that are set aside to cover possible operational and financial risks identified as part of the annual planning process. The risks include;

- Any temporary shortfall in income
- Increase in expenditures due to adverse exchange movements
- Reduction in the investment portfolio due to stock market fluctuation

Individual risks have been quantified and the level of minimum reserves required calculated on the basis of total risk. Applying the reserves policy, the minimum level of reserves required at 31 March 2017 is £8.1m, which is shown in the accounts as general funds that would support the charity's on-going operations for approximately 4 months.

The general reserves held at 31 March 2017 are in line with the minimum level of reserves required however the Trustees anticipate the level of this reserve to fall below target level following the next two years as the Brooke seeks to diversify its sources of funds and continue to operate with higher costs due to foreign exchange. Projections based on the Fundraising strategy envisage Reserves to begin to be rebuilt towards target levels from the fifth year onwards.

ETHICAL INVESTMENT POLICY & STRATEGY

Brooke's investment powers are set out in our 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 our reserves. The fund managers are issued with investment guidelines, which are determined by the finance committee on behalf of the board.

Brooke's investment objectives are:

- To safeguard the funds of Brooke
- To make secure investments which will grow in value sufficiently to protect the funds against inflation
- To generate the best return possible from these funds in order to assist Brooke to carry out its purposes, within the limits of safety detailed as above

A new ethical investment policy was approved by the Board in 2014-15 that mirrored Brooke's ethos and values. Following a tender process, the Trustees appointed James Hambro & Partners to invest Brooke's reserves according to the new investment policy.

At 31 March 2017, 100% of Brooke's total investments were held in asset classes managed by the James Hambro & Partners (JH&P). Due to an administration change at Royal London Asset Management, the certificates of deposits were encashed and the funds invested in a product that would support the cash-flow requirements of the on-going operations.

The portfolio of assets, managed by James Hambro & Partners, are held in segregated accounts and, in the event of failure, would revert to Brooke.

The investment with James Hambro & Partners is a long-term investment for which the funds are not expected to be required for at least four years.

INVESTMENT PERFORMANCE

The total return for the year on Brooke's longer-term investments improved versus the previous period and compared favourably with a benchmark of relevant market indices that performed in the range -0.1 to -0.3%. The investments were held in low risk fixed term deposits, UK and International equities that yielded low levels of returns over the year.

3.2 RISK MANAGEMENT & INTERNAL CONTROL

Brooke has an organisation-wide, risk management process involving all country programmes and the UK office in the identification of risks to the Charity and the development of appropriate mitigation plans. The risks are ranked by the likelihood of occurrence and impact to the Charity and reviewed on a bi-annual basis. Major risks and the risk management process are discussed with the Finance Committee and the Board twice a year. However, the management of day-to-day operational risks is delegated to the Senior Leadership Team to proactively manage throughout the year. The Board's risk appetite guides the risk management process.

The Board are not seeking to eliminate risk as there is a recognition that it is necessary to accept the risks that cannot be mitigated in full or which fall beyond Brooke's control. However the Senior Leadership Team actively monitor and manage such risks to provide reasonable, but not absolute assurance that the Charity is protected.

The Board approves a comprehensive annual plan and budget for Brooke and the Board and its Committees monitor performance against the objectives set out in these plans and budgets on a quarterly basis. Material variances, together with any revised financial forecasts, are submitted regularly to the Finance Committee and to the Board. Additionally risk identification and management also takes place during the annual planning process and the formal approval of any business initiatives. Internal controls audits are commissioned on a regular basis and are prioritised using a risk-based approach. These reports are submitted to the Finance Committee, together with regular updates of progress on the implementation of recommendations. The Board is satisfied that these systems, combined with internal financial controls and the reserves policy, will ensure that sufficient resources are available to meet the immediate needs of Brooke in the event of adverse conditions.

The Board has in place key controls including:

- A clear organisational structure with appropriate levels of accountability and reporting.
- Delegation of financial authority and decision-making powers by the Board to the Chief Executive, within specified limits.
- Clear statement of matters that are reserved to the Board.
- Comprehensive strategic planning, budgeting and management reporting.
- Formal agendas for all Board and committee meetings.
- Formal written policies.
- Clear authorisation and approval levels.

THE MAJOR AREAS OF RISKS AND THE MITIGATION PLANS FOR BROOKE ARE:	1	2	3	4	5
RISK DESCRIPTION	Proposed legislation/guidance changes limits fundraising activity and our ability to engage with individual donor by preventing contact with "non-opted in" individuals via mail and telephone.	Brooke operates in territories with high bribery risks thereby increasing risk of breaching UK Anti-Bribery Act and long lines of communication mean that reporting is difficult.	Accident, illness or security in unstable regions/natural disaster may result in serious injury/death to Brooke UK, branch, affiliate or partner staff.	Limited facility access for staff or IS functionality due to core services failure arising from loss of building or external environmental factors, with uncertain timeline for return.	Constant change within both the internal and external operating environments reduces people's ability to thrive in the workplace leading to an inability to effectively implement the new global strategy
RISK CLASSIFICATION	COMPLIANCE	COMPLIANCE	OPERATIONAL	OPERATIONAL	OPERATIONAL
WHAT ARE WE DOING ABOUT IT?	<ul style="list-style-type: none"> 1) Telephone Preference Service (TPS) registered donors contacted by either phone or mail to gather 'consent' for future telephone marketing. 2) A Data and TPS "opt in/ opt out" compliance audit conducted to assess current database compliance, identify minimum requirements for current compliance and existing gaps. 3) A newly established compliance role will lead the working group for compliance with General Data Protection Regulation that has been established and will provide quarterly updates to the Governance Committee. 4) An audit of the charity's compliance with Data Protection has been commission for September 2017 that will inform the organisation on the steps to take to be compliant with the new Data Protection Legislation that comes into force in 2018. 	<ul style="list-style-type: none"> 1) New anti-terrorism and anti-dishonesty policies and procedures approved by Board in Sept 2016. 2) Mandatory training on Brooke's anti-dishonesty policy and procedures and other documentation being rolled out to all UK staff by the Head of Legal and Compliance effective Jan 2017. 3) Adoption and implementation of these policies will be mandatory in accordance with the affiliate agreements to be entered into during spring 2017. 4) Refresher training on security conducted either in country or as part of management visits 5) Annual Travel Safety and Security training for staff and trustees who travel 6) Security, first aid and crisis management training conducted for appropriate staff in country programmes 7) Security, travel insurance and medicals built into travel authorisation process; 6) A vetting process for senior staff, Trustees and partners by Q1 2018-19. 	<ul style="list-style-type: none"> 1) Insurance cover in place for Affiliates, partners and branches and reviewed regularly 2) Security Policy in place and adherence to policy is enforced built into grant agreements 3) Security review group (SRG) in place which meets at least quarterly to monitor incidence and manage security risks 4) Business Continuity Plan began covering the vital servers that host services. 	<ul style="list-style-type: none"> 1) Fire safety systems and building security in place. The access doors to the office is secured by an alarm detection system. 2) Physical server room secured by keypad. Warranty in place for server hardware with 24 hour replacement. 3) Off-site backup of key systems to portable disk. 4) Business Continuity Plan began covering the vital servers that host services. 	<ul style="list-style-type: none"> 1) Comprehensive change plans in place for implementation of cost savings 2) Ensure future roles and responsibilities are clear 3) Improve internal communications approach based on staff consultation response 4) Takes steps to create a more "healthy" workplace 5) Develop an integrated staff well-being plan linked with work/life balance 6) Create more opportunities for staff empowerment/engagement

3.3 STRUCTURE, GOVERNANCE & MANAGEMENT

Brooke is constituted as a company limited by guarantee registered in England and Wales and a registered charity. Its objects and powers are set out in its Memorandum and Articles of Association. Brooke activities are coordinated from its headquarters in London. In 2016/17 the London office, with an average of 108 UK staff led by the Chief Executive, funded and advised all overseas operations and staff and kept in touch with approximately 85,400 active supporters in the UK and through Brooke Netherlands and Brooke USA with over 35,000 and 1,500 active supporters respectively.

Brooke applies the Charity Governance Code in its work, by ensuring the Board is clear about the charity's aims, and that they are delivered effectively and sustainably. Brooke is led by an effective Board that provides strategic leadership in line with the charity's aims, and the Board acts with integrity, adopting values and creating a culture which helps achieve Brooke's charitable purposes. The Board makes sure that its decision-making processes are informed, rigorous and timely, and effective delegation, control and risk assessment and management systems are in place and monitored. The Board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. The Board's approach to diversity supports its effectiveness, leadership and decision-making, and the Board is transparent and accountable.



BOARD OF TRUSTEES

The directors of Brooke for the purposes of company law are referred to throughout this report as Trustees. They are also Trustees for charity law purposes. The Board of Trustees is the governing body of Brooke and comprises a minimum of six and a maximum of 15. It met four times in 2016/17. Trustees who served during the year are shown on page 41.

The board is supported by a finance committee, a governance committee and a remuneration committee. The finance and governance committees each met four times last year and the remuneration committee met once during the year. During the year, a fundraising panel was established to support the executive in identification of fundraising opportunities. It meets quarterly and is led by the Chairman. The committees have no decision-making powers but make recommendations to the board.

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

Trustees are appointed by co-option and serve an initial term of four years calculated from the AGM at which their appointment is ratified by the members. Trustees may offer themselves for reappointment to complete a second four-year term and may serve an additional year if there is a requirement for the term to be extended.

Should a Trustee resign prior to the end of their term, a new Trustee may be co-opted to serve the remainder of that term. Trustees do not receive any remuneration for their services. The members of the company comprise all of the Trustees. The members have guaranteed the liabilities of the company, up to £1 each.

Trustees are appointed through an open recruitment process that is widely publicised. Shortlisted applicants are interviewed by a selection panel. The board recognises, respects and welcomes diverse, different and at times conflicting trustee views. The search for board candidates is conducted, and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the board, including gender, ethnicity and nationality.

New Trustees receive a structured induction to Brooke. Each Trustee is linked with a country of operation and new Trustees are also encouraged to visit an overseas operation as soon as practicable after their appointment. During the year, five new trustees were appointed, three of which were appointed from regions where Brooke works and where animals are supported.

The board undertakes a formal and rigorous biennial evaluation of its own performance and that of its Chairman and individual directors. The evaluation of the board considers the balance of skills, experience, independence and knowledge of the charity.

ORGANISATIONAL STRUCTURE

The board is responsible for the direction, management and control of Brooke. The board is responsible for approving the policies and strategy of Brooke and for ensuring the effective use of its resources in accordance with its charitable objects and UK law. The board exercises overall responsibility for the direction, management and control of Brooke by supervising the work of the Chief Executive and, through her, 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 Brooke's work, whether through the expansion of existing operations, or establishment of operations in new countries.

The performance of the CEO is appraised annually through a formal process led by the Chairman. All Trustees are invited to comment on her performance against predetermined objectives and feedback is given in a meeting supported by a written report.

All senior staff receive ongoing performance management and an annual appraisal with feedback provided by the CEO about how they have contributed to the achievement of the strategy and any personal development areas they may have.

The salaries of all senior staff are set based on external pay benchmarking via the use of market data taken from sector pay surveys and reports. An annual cost of living reward is made consistently for all staff based on external data from both economic reports and sector trends to ensure pay remains competitive in the market place subject to affordability.

3.4 RELATIONSHIPS WITH OTHER ORGANISATIONS

In addition to our two international fundraising partners, Brooke Netherlands and Brooke USA, Brooke has many important relationships with other organisations overseas, including our sister organisation in Egypt where Brooke's charitable work began.

During the year, Brooke established a formal affiliation agreement with independent Brooke entities around the world, with the aim to strengthen the Brooke brand and ensure compliance with regulations. To aid with this agreement, Brooke updated and developed of a number of new global policies to support strong governance of the charity.

Brooke affiliate organisations in India, Pakistan and East Africa are 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 Senegal are branches of Brooke. Brooke also collaborates with partners in Afghanistan, Ethiopia, Guatemala, Kenya, Nepal, Nicaragua, India, Pakistan, Senegal and Mexico.

Brooke USA is a US 501(c) 3 organisation. It supports the work of Brooke and shares its mission to support the welfare of working equine animals. Some administrative functions are provided to Brooke USA.

Operations in each direct partner, affiliate or branch are headed by a Chief Executive, a country representative, Director or General Manager and each has a country strategy in line with Brooke's Global Strategy. The address of each is shown on page 82.

Representatives from each Brooke organisation across the world constitute the Global Advisory Council which meets annually. This has no executive function but provides advice to the Brooke board on any matters affecting the Charity. It has clear terms of reference and membership is extended to include Brooke's Honorary Vice Presidents.

The collaborative partnerships are between Brooke and third party entities in accordance with the terms of contracts approved by the Board which, unless specifically agreed otherwise, restrict 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. Partners' financial controls are reviewed as part of initial financial due diligence exercise and subsequently as part of a rolling audit programme carried out by Brooke. Partners are required to comply with Brooke's zero-tolerance anti-dishonesty policy which was updated during the year.

During 2016/17, the following organisations worked in partnership, either directly with the UK or with Brooke operation in the country concerned.

DIRECT PARTNERSHIP WITH THE UK

Afghanistan

Dutch Committee for Afghanistan (DCA)

Guatemala

Equinos Sanos para el Pueblo (ESAP)

Nepal

Animal Health Training and Consultancy Services (AHTCS)

Nicaragua

Oikos – Cooperação e Desenvolvimento

Mexico

Fundación Dejando Huella (FDH)

INNOVATION GRANTEES

South Africa

Farm Animal Centre for Education (FACE)

South Sudan

VSF-Suisse

Lesotho

Send A Cow

Zambia

Mwamfumba Multi-Purpose Animal Welfare Cooperative Society

Palestine

Palestinian Animal League (PAL)

Burkina Faso

Christian Aid

PARTNERSHIPS WITH ORGANISATIONS IN COUNTRY PROGRAMMES

India

Gramin Evam Samajik Vikas Sansthan, Rajasthan

Parvatiya Aranya Sewa Evam Vikas Sansthan, Uttarakhand

Arthik Vikas Evam Jan Kalyan Sansthan (AVEJKS), Uttar Pradesh

Social Action for Knowledge Building awareness Raising (SAKAR), Uttar Pradesh

Yuva Gram Mandal, Maharashtra

Navbharat Samaj Kalyan Samiti, Uttar Pradesh

Society for Environmental and Rural Awakening, Himachal Pradesh

Society for the Prevention of Cruelty to Animals (SPCA), Maharashtra

Sanskrit Samvardhan Mandal, Maharashtra

Gramin Vikas Sansthan, Uttar Pradesh

Sahyog India, Reasi, Jammu and Kashmir

New Public School Samiti (NPSS), Uttar Pradesh

Sarvodaya Ashram (SA), Uttar Pradesh

Shri Bhuvneshwari Mahila Ashram, Uttarakhand

Prayatan Sanstha, Rajasthan

Naujhil Integrated rural project for health & development, Uttar Pradesh

Shramik Janta Vikas Sanstha, Maharashtra

Panchsheel Development Trust, Uttar Pradesh

Nehru Yuva Sanstha, Uttar Pradesh

UP Vanvasi Seva Sansthan, Uttar Pradesh

Tarun Chetna Sansthan, Uttar Pradesh

Meerut Sewa Samaj, Uttar Pradesh

*Innovation fund grantees

Pakistan

Sindh Rural Support Organisation (SRSO)

National Rural Support Programme (NRSP)

Alliances with Livestock departments in Punjab, Sindh, KPK

Kenya (East Africa)

Agency for Pastoralist Development (APaD)

Animal Welfare and Public Health (AWAPH)

Arusha Society for Protection of Animals (ASPA)

Caritas

Farming Systems Kenya (FSK)

GardenVet Kenya*

Kenya Network or Dissemination of Agricultural Technologies (KENDAT)

Kenya Society for the Protection and Care of Animals (KSPCA)

Kenya Veterinary Association (KVA)

Kenya Veterinary Paraprofessional Association (KVPA)*

Send a Cow (SAC) Kenya

Social and Animal Welfare Service (SAWS)

Somaliland

SIDAI

Senegal (West Africa)

Union des Groupements Associés du Niombato (UGAN)

Union des Groupements Paysans de Méckhé (UGPM)

Association pour la Protection des Animaux et de l'Environnement (ASPAE)

Fédération des Associations Paysannes de la région de Louga (FAPAL)

Union Régionale des Associations Paysannes de Diourbel (URAPD)

Association pour la Promotion des Initiatives Locales au Burkina Faso (APIL)

Institut Africain pour le Développement Economique et Social (Inades-Formation) Burkina-Faso



The brick kilns of India produce 13% of all bricks produced globally every year.

Photo: Freya Dowson

PUBLIC BENEFIT

Charity trustees have a duty to report in the annual report on their charity's public benefit. They should demonstrate that:

1. There is an identifiable benefit or benefits

This report sets out in some detail the activities that Brooke carried out in order to further its strategic aims. All of Brooke's activities are intended to further Brooke's charitable objects which are "To promote the welfare and relieve the suffering of working equines and other animals in Africa, Asia, the Middle East and South and Central America, and in any other areas outside the United Kingdom that the Trustees may think fit, for the public benefit, in particular, but not exclusively, by:

- the support, promotion and provision of veterinary and other animal healthcare services whether in the context of veterinary clinics, animal hospitals, other animal healthcare facilities or otherwise;
- the provision, promotion and support of education in the care, welfare and treatment of working equines;
- advocacy for long term and sustainable improvement of the living and working conditions of working equines; and to relieve the poverty of owners and users of working animals and their communities by improving the health and welfare of such animals.

GRANT MAKING PROCEDURES

Brooke makes grants to Brooke affiliates. It also gives grants on a proactive basis to partner organisations and through our small initiatives funds programme in furtherance of our equine animal welfare objectives.

Grant agreements are in place which clearly set out our expectations and the deliverables of the partner entities. Grants to entities are routinely monitored through quarterly management reports which include explanations of variance from agreed budgets, animal based indicators and key performance indicators. Programme visits are also undertaken by staff and reports are widely circulated to share learning and understanding. Programme audits are contracted on a periodic basis to monitor the quality of the programmatic deliverables. Extensive due diligence exercises are carried out as part of identifying new partners. These include the assessment of programmatic and financial capabilities.

THE ENVIRONMENT

Brooke is committed to reducing the impact it has on the environment and the Board of Trustees has approved an environmental policy. Brooke will always consider the well-being of animals and animal-owning communities and efforts to improve our green credentials will not override our charitable objectives.

2. The benefit must be to the public or a section of the public

This report explains in detail the criteria Brooke uses for selecting the geographical areas in which it operates. The Trustees are therefore confident that Brooke meets the public benefit requirements and they confirm that they have taken into account the Charity Commission's guidance on public benefit.

No material uncertainties that cast significant doubt about the ability of Brooke to continue as a going concern have been identified by the Trustees



4

TRUSTEES' RESPONSIBILITIES, AUDITORS REPORT & FINANCIAL STATEMENTS

When Margaret, the Masai woman in this photo, didn't have donkeys, she carried a 25 litre water can on her back, tied with a rope to her head for support, and with a baby on her front.

Photo: Freya Dowson



4.1 STATEMENT OF TRUSTEES' RESPONSIBILITIES



Brick kilns are one of the main work areas that lead to more welfare problems for horses, donkeys and mules than any other sector.

Photo: Freya Dowson

The Trustees are responsible for preparing the Strategic Report, the Trustees' report and the financial statements in accordance with applicable law and regulations.

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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

This report, which incorporates the Strategic Report, was approved by the Trustees on 27 September 2017 and signed on their behalf:

A handwritten signature in blue ink, appearing to read "Evelyn Webb-Carter".

Major General Sir Evelyn Webb-Carter
KCVO OBE DL, Chairman
27 September 2017



4.2 AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BROOKE HOSPITAL FOR ANIMALS

We have audited the financial statements of Brooke for the year ended 31 March 2017, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes numbered 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, the Financial Reporting Standards applicable in UK and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Foals are a prized possession for Qalandar community in India. Their sole source of income is from rearing and selling foals at equine fairs around the country.
Photo: Freya Dowson

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and nonfinancial information in the Strategic report and the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with FRS 102, the Financial Reporting Standards applicable in UK and Republic of Ireland, and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the Financial Statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- The parent charitable company has not kept adequate accounting records; or
- The parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.



Naziar Hashemi

Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
London

27 September 2017

Transporting people, materials and crops through dense forests and over rugged terrain In Guatemala, horses often have huge physical demands placed upon them.

Photo: Richard Dunwoody



4.3 FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017 (INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 2017	Total Funds 2016
		£	£	£	£
Income					
Donations and legacies	2	17,684,014	1,497,229	19,181,243	16,379,479
Other Trading activities		89,777	-	89,777	78,420
Investments		225,134	-	225,134	128,115
Other		21,371	-	21,371	5,509
Total income		18,020,296	1,497,229	19,517,525	16,591,523
Expenditure					
Expenditure on raising funds		7,259,010	-	7,259,010	6,453,328
<i>Expenditure on Charitable activities:</i>					
Direct intervention to improve equine animal welfare		3,661,434	492,964	4,154,398	4,463,259
Prevention of welfare problems		4,878,548	656,832	5,535,380	5,987,751
Influencing for improved animal welfare		2,052,178	276,299	2,328,477	1,760,779
Research		630,922	84,945	715,867	556,158
Total charitable activities	3	11,223,082	1,511,040	12,734,122	12,767,947
Total expenditure	4A	18,482,092	1,511,040	19,993,132	19,221,274
Net gains on investments	9	1,146,023	0	1,146,023	116,890
Net income/(expenditure)		684,227	(13,818)	670,416	(2,512,861)
Reconciliation of funds:					
Total funds brought forward	18	10,141,925	245,416	10,387,341	12,900,203
Total funds carried forward	14	10,826,151	231,606	11,057,757	10,387,341

The notes on pages 59 to 81 form a part of these financial statements

CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 31 MARCH 2017

	Notes	GROUP 2017 £	2016 £	CHARITY ONLY 2017 £	2016 £
Fixed Assets					
Intangible Assets	8A	258,792	173,669	258,792	173,669
Tangible Assets	8B	432,486	397,358	432,486	397,358
Investments and Long Term Deposits	9	12,727,651	15,462,472	12,727,651	15,462,472
		13,418,929	16,033,499	13,418,929	16,033,499
Current Assets					
Debtors	11	1,260,639	930,543	1,268,990	941,478
Cash at Bank and in Hand		4,537,950	2,454,824	4,527,439	2,443,889
		5,798,589	3,385,367	5,796,429	3,385,367
Current Liabilities					
Creditors: Amounts Due Within One Year	12	8,159,760	9,031,525	8,157,601	9,031,525
Net Current Liabilities		(2,361,172)	(5,646,158)	(2,361,172)	(5,646,158)
Total Net Assets		11,057,757	10,387,341	11,057,757	10,387,341
The Funds Of The Charity					
Unrestricted Income Funds:					
General Funds	10	8,060,550	7,736,451	8,060,550	7,736,451
Designated Funds	10	2,765,601	2,405,474	2,765,601	2,405,474
Restricted Income Funds	10	231,606	245,416	231,606	245,416
Total Charity Funds		11,057,757	10,387,341	11,057,757	10,387,341

The notes on pages 66 to 81 form a part of these financial statements

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

Sir Evelyn Webb-Carter

Chairman

27 September 2017

Paul Elphick

Honorary Treasurer

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Total Funds 2017 £	Prior Year Funds 2016 £
Schedule		
- A Net Cash Provided by (Used in) Operating Activities	(1,605,251)	(3,642,748)
Cashflow from Investing Activities:		
Dividends and Interest from Investments	225,134	128,115
Purchase of Tangible Assets	(253,570)	(150,137)
Purchase of Intangible Assets	(160,963)	(166,495)
Proceeds from Sale of Investments	4,033,408	4,000,000
Purchase of Investments (Stocks and Certificates of Deposit)	(155,631)	(97,420)
Net Cash Provided by (Used In) Investing Activities	3,688,378	3,714,063
Change in Cash and Cash Equivalents in the Reporting Period	2,083,126	71,315
Cash and Cash Equivalents at the Beginning of the Reporting Period	2,454,824	2,383,509
Cash and Cash Equivalents at the End of the Reporting Period	4,537,950	2,454,824
Schedule		
- A Net Movement in Funds for the Reporting Period (as per the Statement of Financial Activities)	(475,607)	(2,629,752)
Adjustments for:		
Depreciation Charges	205,236	221,763
Amortisation Charges	71,899	12,850
Dividends and Interest from Investments	(222,067)	(128,115)
Loss on Sale of Fixed Assets	17,147	1,949
Decrease/(Increase) in Debtors	(330,096)	674,560
(Decrease)/Increase in Creditors	(871,764)	(1,796,004)
Net Cash Provided by (Used In) Operating Activities	(1,605,251)	(3,642,749)

The notes on pages 67 to 81 form a part of these financial statements

Brooke was established in 1934 to treat horses left in Egypt after the first World War. In recent years we have expanded to deliver programmes across Africa, Asia and Latin America and operate in ten countries. Brooke is an international animal welfare organisation dedicated to improving the lives of working horses, donkeys and mules.

Brooke is registered as a Charity in England and Wales (No. 1085760) and with the Companies House (No. 4119581).

1 ACCOUNTING POLICIES

A. Basis of Preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

Going Concern

Brooke's planning and performance review processes, include financial projections of income and expenditure that take into consideration the operational influences of both economic and regulatory changes. Brooke is well placed to manage the business risks it faces with sufficient level of reserves, a good cash flow and a strong relationship with our donors and funders. We therefore have a reasonable expectation that we have sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of Brooke to continue as a going concern.

Public benefit

The Trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing Brooke's aims and objectives, and in planning activities and setting policies and priorities for the year ahead.

Consolidation

The statement of financial activities and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. No separate income and expenditure account of the charity has been presented, as permitted by Section 408 of the Companies Act 2006. The functional currency of the Brooke is GBP.

The gross income of the charity for the year was £19.52m (2016: £16.59m) and its gross expenditure was £19.99m (2016: £19.22m). The charity has a wholly owned subsidiary registered in England and Wales, Brooke Hospital for Animals Trading Ltd. (No.8959139).

The financial activities of the company are commercial activities such as Christmas card sales, Dorothy Brooke's diary and fund raising through sponsorship activities. The income generated by the trading company was £87k (2016: £78k) and resulted in net profit for the year of £39k (2016: £48k) that has been passed as Gift Aid to the Charity in furtherance of relieving immediate suffering and creating lasting change for vulnerable working equines.

The results of the subsidiaries are consolidated on a line-by-line basis and further details of the subsidiary are given in Note 16.

B. Tangible Fixed Assets and Depreciation

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

Fixtures & Fittings.....10%-20% per annum straight line

Office equipment.....10%-25% per annum straight line

Computers & Software.....12%-33.3% per annum straight line

Vehicles15%-20% per annum straight line

Leasehold Improvements.....Life of the lease

The Group accounts include all assets purchased by overseas branches.

C. Intangible fixed assets

Website development costs have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use they will be amortised on the straight line basis over three years.

D. 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. Net unrealised gains and losses in the period are included in the Statement of Financial Activities in the period of gain or loss.

Cash held within the investment portfolio is included within the fixed assets as investments that are managed by James Hambro & Partners. During the year, Royal London Asset Management changed its policy on holding cash for clients that resulted in transferring the funds into short-term deposits.

Cash held on short-term deposits is directly managed by the Brooke.

E. Incoming resources

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

F. 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. The costs of these activities also include expenditure of an indirect nature necessary to support them.

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

Expenditure on raising 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. The costs of these activities also include expenditure of an indirect nature necessary to support them.

Expenditure on Charitable activities are costs incurred to meet the objectives of the Brooke. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Grants payable are recognised as soon as the obligation arises.

Governance costs include 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 directly, others are apportioned on an appropriate basis as set out in Note 4. Irrecoverable VAT is included as part of the expenditure to which it relates.

G. Financial assets and liabilities

Brooke has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at market value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment. An analysis of assets and liabilities is set out in Note 17.

H. Operating leases

Rentals payable are charged to the Statement of Financial Activities over the period of the lease, on a straight line basis.

I. 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.

J. Funds

Restricted funds are generated when donors stipulate how their donations may be spent and these funds are restricted to those initiatives. An analysis of the movements on restricted funds is set out in note 10.

Unrestricted funds are generated when the donors do not stipulate how the income may be spent and the funds support the charity to carry out its work. Unrestricted funds are divided into two further classifications:

- Designated reserves are funds to support the Brooke achieve its new five year Strategy through a phased expansion into existing and new countries and the implementation of overseas programmes that deliver sustainable change through our Theory of Change.
- General reserves are the minimum level of funds set aside to cover possible operational and financial risks identified as part of the annual planning process.

An analysis of the movements on unrestricted funds is set out in note 10.

K. Foreign Exchange

Transactions denominated in foreign currency are translated at the rate of exchange ruling at the balance sheet date. Income and expenditure transactions incurred in a foreign currency are translated during the course of the year at the rate of exchange prevalent at the date of transaction and are disclosed in the Statement of Financial Activity.

As at 31 March 2017, Brooke had committed to 163.3m KSH and 132.7m INR. The value of the movement in the forward contracts from the date of commitment to 31 March 2017 was approximately £34,300, which has not been recognised in the financial statements due to its value not being material

L. 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. No liability is payable in respect of such activities (2016: nil). Income Tax suffered by deduction is reclaimed in full from the HMRC. The Brooke is registered for VAT and has partial exemption in respect of its trading activities.

M. Judgements and estimates

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year. The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

2 DONATIONS & LEGACIES

	Unrestricted 2017 £	Restricted 2017 £	Total 2017 £	Total 2016 £
Regular Giving Donations	7,694,496	1,369,970	9,064,466	8,944,078
Legacies	9,989,518	127,259	10,116,777	7,435,401
Total	17,684,014	1,497,229	19,181,243	16,379,479

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 £9.4m (2016: £7.4m).

3(a) CHARITABLE ACTIVITIES BY THEMATIC AREA

	Direct Intervention to Improve Equine Animal Welfare	Prevention of Welfare Problems	Influencing for improved animal welfare	Research	2017 Total	2016 Total
	£	£	£	£	£	£
Afghanistan	223,000	417,703	1,285	342	642,330	470,557
Egypt*	1,097	1,903	0	0	3,000	(200,231)
Ethiopia	1,104,076	595,858	31,609	32,080	1,763,623	1,083,900
Guatemala	59,500	162,660	4,523	3,358	230,041	202,114
India	855,912	1,075,206	291,364	123,677	2,346,159	2,378,052
Jordan	6,350	28,734	5,725	3,393	44,202	56,368
Kenya	757,992	610,624	470,423	45,780	1,884,819	2,486,844
Mexico	7,715	18,555	891	706	27,867	15,243
New Countries	1,231	1,241	24,084	0	26,556	-
Nepal	81,686	93,392	54,472	3,704	233,254	233,045
Nicaragua	18,294	75,538	7,562	4,172	105,566	200,269
Pakistan	436,800	490,269	18,308	18,744	964,121	1,983,445
Senegal	194,889	426,257	51,356	5,165	677,667	478,731
	3,748,542	3,997,940	961,602	241,122	8,949,205	9,388,337
Indirect Support Costs - UK	247,724	746,782	1,314,163	422,037	2,730,706	2,491,822
Other Support Costs - UK	158,132	790,658	52,711	52,711	1,054,211	887,788
Total	4,154,398	5,535,379	2,328,476	715,869	12,734,122	12,767,947

*Work in Egypt is funded through Brooke Netherlands

3(b) CHARITABLE ACTIVITIES

Analysis of individual amounts spent in each country is shown below:

	Amount Granted (Partnerships and Affiliates Only)	Amounts Spent on Direct Implementation via Branches & UK	Support Expenditure	Total Charitable Activities	Total Charitable Activities
				2017	2017
Afghanistan	580,548		61,782	642,330	470,557
Egypt	3,000		0	3,000	200,231
Ethiopia*		1,631,289	132,334	1,763,623	1,083,900
Guatemala	199,652		30,388	230,041	202,114
India	2,096,836		249,324	2,346,159	2,378,052
Jordan*		3,827	40,375	44,202	56,368
Kenya	1,663,928		220,891	1,884,819	2,486,844
Mexico	14,389		13,478	27,867	15,243
New Countries	3,326		23,230	26,556	-
Nepal	199,284		33,970	233,254	233,045
Nicaragua	3,152		102,414	105,566	200,269
Pakistan	681,529		282,592	964,121	1,983,445
Senegal*	-	544,484	133,183	677,667	478,731
Indirect Support Costs - UK			2,730,706	2,730,706	2,491,822
Other Support Costs - UK			1,054,211	1,054,211	887,788
Total	5,445,644	2,179,600	5,108,878	12,734,122	12,767,947

*Country costs associated to Branches cannot be classed as grants to third party organisations.

4(a) TOTAL RESOURCES EXPENDED

	Grants £	Direct Staff £	Direct Other £	Support Costs £	Governance Costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds							
Fundraising	1,801,320	3,705,984	529,335		6,036,639	5,487,873	
Supporter Services	500,800	485,041	94,754		1,080,594	906,415	
Trading	-	48,231	4,459		52,690	28,345	
Investment Management	-	89,087	-		89,087	30,695	
Total	2,302,120	4,328,343	628,548		7,259,010	6,453,328	
Charitable activities							
Direct Intervention to Improve Equine Animal Welfare	3,492,969	301,774	172,428	158,132	29,095	4,154,398	4,463,259
Prevention of Welfare Problems	3,168,515	787,989	642,746	790,658	145,472	5,535,380	5,987,751
Influencing for Improved Animal Welfare	807,380	1,065,213	393,476	52,710	9,698	2,328,477	1,760,779
Research	156,380	386,973	110,105	52,711	9,698	715,867	556,158
Total Charitable Activities	7,625,244	2,541,949	1,318,755	1,054,211	193,963	12,734,122	12,767,947
Governance Costs		99,657	94,306	-	(193,963)	-	-
Total	7,625,244	4,943,726	5,741,404	1,682,758		- 19,993,132	
Expenditure in Support of Activities		907,438	775,320	(1,682,758)	-	-	-
Total Resources Expended	7,625,244	5,851,164	6,516,724		- - 19,993,132	19,221,275	

4(b) ANALYSIS OF GOVERNANCE EXPENSES

	2017 £	2016 £
Staff Costs	99,658	167,967
Trustee Expenses	16,515	11,083
Audit Fees	26,760	24,000
Other Expenses	51,032	20,970
Total	193,963	224,020

5 NET INCOMING RESOURCES FOR THE YEAR IS STATED AFTER CHARGING:

	2017 £	2016 £
Audit Fees for Statutory Audit (Including VAT)	26,760	24,000
Rental Cost Relating to Operating Leases (Including VAT)		
Plant and Machinery	2,994	3,000
Land and Building	318,771	293,905

6 STAFF COSTS

	2017 £	2016 £
Wages and Salaries	4,936,786	4,217,133
Temporary Staff	359,995	372,324
Social Security Costs	537,442	391,730
Pensions and Other Costs*	761,966	424,328
Total	6,596,189	5,405,515

* Total Redundancy and settlement costs incurred in 2017 £317,902 (2016: £24,255) due to the reorganisation of key functions to support delivery of the new strategy with reduced financial resources.

In Note 4a, Staff costs for branches amounting to £745,026 have been included within Programme costs.

AVERAGE NUMBER OF STAFF EMPLOYED

	2017 £	2016 £
Fundraising	33	28
Supporter Services	11	14
Charitable Activities UK	34	32
Charitable Activities Overseas (Branches)	83	81
Administration (Including Support Costs and Governance)	30	26
Total	191	181

REMUNERATION OF THE CHARITY'S KEY MANAGEMENT PERSONNEL

The key management personnel of the charity comprise the trustees, the Chief Executive, Director of Fundraising, Director of Finance and Information Services, Director of International Programmes, Director of Animal Welfare and Sustainability and Director of Planning and Performance.

	2017 £	2016 £
Total Remuneration of Key Management Personnel	632,021	487,619

The increase in salaries was due to three directors joining part way through 2016.

6 STAFF COSTS (contd.)

Number of employees whose benefits, excluding employer's pension contributions, amounted to more than £60k	2017	2016
Between £60,001 and £70,000	2	2
Between £70,001 and £80,000	1	0
Between £80,001 and £90,000	3	2
Between £90,001 and £100,000	1	0
Between £100,001 and £110,000	1	1
The pension costs paid in respect of these employees amounted to £49,181 (2016: £51,333).		

7 TRUSTEES EXPENSES

Trustees' total expenses during the year amounted to £16,515 (2016: £11,083), of which £2,295 (2016: £6,300) related to visits to overseas centres. These expenses were incurred in respect of necessary duties carried out. Six Trustees (2016: 6 Trustees) received reimbursements for their expenses totalling £4,380 (2016: £2,664).

The Trustees received no remuneration for their services. A Trustee and employee indemnity insurance policy was purchased during the year at a cost of £3,170 (2016: £4,185).

The UK charity received no donations from the Trustees during the year.

8(a) GROUP AND CHARITY INTANGIBLE FIXED ASSETS

	Computer Applications	Website	Assets in the Course of Construction	Total
	£	£	£	£
Cost				
At 31 March 2016	10,947	148,880	149,656	309,483
Additions	19,644	44,858	96,461	160,963
Disposals	(5,163)	(131,681)	0	(136,844)
Transfers	151,188	117,374	(134,573)	133,989
At 31 March 2017	176,616	179,431	111,545	467,591
Depreciation				
At 31 March 2016	3,251	132,563	0	135,814
Depreciation for the Year	21,142	50,757	0	71,899
Disposals	(1,402)	(128,476)	0	(129,878)
Transfers	135,967	(5,002)	0	130,965
At 31 March 2017	158,957	49,842	0	208,800
Net Book Value				
At 31 March 2017	17,659	129,589	111,545	258,792
At 31 March 2016	7,696	16,317	149,656	173,669

8(b) GROUP AND CHARITY TANGIBLE FIXED ASSETS

	Computers	Office Equipment	Leasehold Improvements	Fixtures & Fittings	Vehicles	Total
	£	£	£	£	£	£
Cost						
At 31 March 2016	482,370	89,505	439,430	118,853	185,143	1,315,301
Additions	142,190	35,671	0	11,524	64,185	253,570
Disposals	(35,388)	(30,086)	0	(37,866)	(19,326)	(122,666)
Transfers	(158,705)	24,716	0	0	0	(133,989)
At 31 March 2017	430,468	119,806	439,430	92,511	230,002	1,312,216
Depreciation						
At 31 March 2016	399,325	59,305	285,023	80,163	94,127	917,943
Depreciation for the Year	66,859	13,241	85,253	8,196	31,687	205,236
Disposals	(33,371)	(25,813)	0	(33,974)	(19,326)	(112,483)
Transfers	(154,000)	23,035	0	0	0	(130,965)
At 31 March 2017	278,813	69,768	370,276	54,385	106,488	879,730
Net Book Value						
At 31 March 2017	151,654	50,038	69,154	38,126	123,514	432,486
At 31 March 2016	83,045	30,200	154,407	38,690	91,016	397,358

9 GROUP AND CHARITY INVESTMENTS

Reconciliation of Investments Held with Fund Manager	2017 £	2016 £
James Hambro & Partners LLP and Royal London Asset Management		
Market Value at 1 April	15,462,472	19,248,162
Acquisitions	-	-
Disposals	(4,036,475)	(4,000,000)
Sales Proceeds/ Dividends	225,134	128,115
Fees deducted during year	(69,503)	(30,695)
Realised and unrealised Gains/ Losses on Investments	1,146,023	116,890
Market Value at 31 March 2017	12,727,651	15,462,472
Historical Cost at 31 March 2016	11,261,563	12,832,838
Investments held in cash £0.6m and listed investments £12.1m		

10 CONSOLIDATED MOVEMENT IN UNRESTRICTED AND RESTRICTED FUNDS

	As at 31 March 2016	Total Incoming Resources	Total Resources Expended	Transfers	Net Gains/ Losses	As at 31 March 2017
Unrestricted Funds	£	£	£	£	£	£
General Funds	7,736,451	18,020,295	(18,482,092)	(360,127)	1,146,023	8,060,550
Designated Funds	2,405,474	-	-	360,127	-	2,765,601
Total Unrestricted Funds	10,141,925	18,020,295	(18,482,092)	-	1,146,023	10,826,151
Restricted Funds						
Afghanistan	19,718	12,620	(38,058)	11,330		5,610
Egypt	-	3,000	(3,000)	-		-
Ethiopia	19,358	89,040	(134,039)	25,641		-
Guatemala	-	70,299	(50,039)	4,083		24,344
India	86,125	229,784	(270,874)	47,987		93,023
Kenya	1,505	353,590	(351,294)	33,652		37,454
Nepal	7,222	5,000	(14,117)	3,714		1,819
Pakistan	92,917	191,749	(291,831)	47,232		40,067
Senegal	-	180,441	(191,089)	10,648		-
Nicaragua	-	-	(4,269)	4,269		-
The Brooke Journal	7,732	13,770	(12,374)	(6,248)		2,880
Formulary	10,839		(10,839)	-		-
Farriery	-	12,121	(12,121)	-		-
Protocols	-	-	(1,385)	6,248		4,863
Effectiveness Framework Application	-	25,000	(3,453)	-		21,547
*Virtual Gifts Programmes	-	188,556	-	(188,556)		-
	-	122,259	(122,259)	-		-
Total Restricted Funds	245,416	1,497,229	(1,511,039)	-	-	231,606
Total Funds	10,387,341	19,517,525	(19,993,132)	-	1,146,023	11,057,757

We are grateful to all the donors who support our work and wish to thank them for their continued support.

*Included within restricted funds are Virtual Gifts from our donors that are specifically transferred to country programmes to fund charitable activities. Grants amounting to £299k were received from Brooke USA to fund work in Ethiopia, Senegal, Pakistan and Kenya. Additionally donations totalling £30k were received from Brooke Netherlands in 2016/17, restricted to our work in Pakistan, Kenya and India.

11 DEBTORS AND PREPAYMENTS

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Legacies Receivable	475,338	475,338	334,433	334,433
Tax Recoverable	97,098	97,098	86,398	86,398
Other Debtors	688,203	696,554	509,712	520,647
Total	1,260,639	1,268,990	930,543	941,478

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Amounts Committed to Partners	5,208,730	5,208,730	6,780,700	6,780,700
Taxes and Social Security	128,244	128,244	108,524	108,524
Other Creditor and Accruals	2,822,786	2,820,627	2,142,302	2,142,301
Total	8,159,760	8,157,601	9,031,525	9,031,525

13 GROUP AND CHARITY OPERATING LEASE COMMITMENTS

Total minimum lease payments due over the lease term are as follows:

Lease Payments	Land & Buildings	2017		2016	
		Other	Total	Land & Buildings	Other
Not Later than One Year	309,816	2,994	312,810	373,556	2,994
Later than One Year and Not Later than 5 Years	420,174	2,993	423,167	246,116	5,987
Later than 5 Years	-	-	-	-	-
Total	729,990	5,987	735,977	619,672	8,981
					628,653

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total £
Group			
Intangible Assets	258,792	0	258,792
Tangible Assets	432,486	0	432,486
Investments	12,727,651	0	12,727,651
Current Assets	5,566,983	231,606	5,798,589
Current Liabilities	(8,159,761)	0	(8,159,761)
Net Assets	10,826,151	231,606	11,057,757
Charity			
Intangible Assets	258,792	0	258,792
Tangible Assets	432,486	0	432,486
Investments	12,727,651	0	12,727,651
Current Assets	5,564,823	231,606	5,796,429
Current Liabilities	(8,157,601)	0	(8,157,601)
Net Assets	10,826,151	231,606	11,057,757

The analysis of the net assets between funds for 2016 is shown in Note 20.

15 RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2016: none).

16 SUBSIDIARY UNDERTAKINGS

The results for the year of the subsidiary undertakings are given below

	Bhat 2017 £	Bhat 2016 £
Total Incoming Resources	86,897	78,420
Total Resources Expended	48,127	30,913
Net Incoming Resources	38,770	47,507
Gift to Brooke Hospital for Animals	(38,770)	(47,507)
Retained Surplus/ (Deficit) for the Year	0	0
Total Assets	55,270	33,225
Total Liabilities	(55,270)	(33,225)
Total Funds	0	0

At 31 March 2017, Brooke Hospital for Animals Trading Limited owed the parent charity £11,000 (2016 £11,000) for a start-up loan injection. During the year, Brooke Hospital for Animals Trading Limited expended £2,879 (2016 £2,733) with the parent charity for loan interest charges and use of name and logo.

17 FINANCIAL ASSETS AND LIABILITIES

	Group 2017 £	Group 2016 £
Financial Assets Measured at Fair Value	5,473,657	3,055,979
Financial Assets Measured at Amortised Cost	935,707	611,749
Financial Liabilities Measured at Amortised Cost	8,031,516	8,923,002
 <i>The charity's income, expense, gains and losses in respect of financial instruments are summarised below</i>		
 Total Income from Financial Assets Held at Fair Value	225,134	128,115
 Net Gains on Financial Assets Held at Fair Value	1,146,023	116,890

18 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
Income				
Donations and Legacies	2	15,366,379	1,013,100	16,379,479
Other Trading Activities		78,420	-	78,420
Investments		128,115	-	128,115
Other		5,509	-	5,509
Total Income		15,578,423	1,013,100	16,591,523
Expenditure				
Expenditure on Raising Funds		6,453,328	-	6,453,328
Expenditure On Charitable Activities:				
Direct Intervention to Improve Equine Animal Welfare		4,154,975	308,284	4,463,259
Prevention of Welfare Problems		5,567,453	420,298	5,987,751
Influencing		1,637,187	123,592	1,760,779
Research		517,119	39,039	556,158
Total Charitable Activities	3	11,876,734	891,213	12,767,947
Total Expenditure	4A	18,330,062	891,213	19,221,275
Net Gains on Investments	9	116,890	-	116,890
Net (Expenditure)/Income		(2,634,749)	121,887	(2,512,862)
Reconciliation of Funds:				
Total Funds Brought Forward		12,776,674	123,529	12,900,203
Total Funds Carried Forward		10,141,925	245,416	10,387,341

19. CONSOLIDATED MOVEMENT IN UNRESTRICTED AND RESTRICTED FUNDS FOR YEAR ENDED 31 MARCH 2016

	As at 1 April 2015 Restated	Total Incoming Resources	Total Resources Expended	Transfers	Net Gains/ Losses	As at 31 March 2016
Unrestricted Funds						
General Funds	£ 7,623,616	£ 15,578,423	£ (15,582,478)	£ 116,890	£ 7,736,451	
Designated Funds	5,153,058		(2,747,584)			2,405,474
Total Unrestricted Funds	12,776,674	15,578,423	(18,330,062)	-	116,890	10,141,925
Restricted Funds						
Afghanistan	-	25,941	(18,239)	12,016		19,718
Egypt	-	3,326	(3,326)	-		-
Ethiopia	-	200,514	(208,350)	27,194		19,358
Guatemala	-	12	(4,343)	4,331		-
India	98,639	187,725	(251,133)	50,894		86,125
Kenya	-	85,885	(120,070)	35,690		1,505
Nepal	-	23,250	(19,967)	3,939		7,222
Pakistan	2,890	225,784	(185,851)	50,094		92,917
Senegal	-	5,220	(16,513)	11,293		-
Nicaragua	-	-	(4,528)	4,528		-
The Brooke Journal	-	17,429	(9,697)	-		7,732
Formulary	-	13,035	(2,196)	-		10,839
Effectiveness Framework Application	10,000	25,000	(35,000)	-		-
*Virtual Gifts	-	199,979	-	(199,979)		-
Research Capacity Building	12,000	-	(12,000)	-		-
Total Restricted Funds	123,529	1,013,100	(891,213)	-	-	245,416
Total Funds	12,900,203	16,591,523	(19,221,275)	-	116,890	10,387,341

We are grateful to all the donors who support our work and wish to thank them for their continued support.

*Included within restricted funds are Virtual Gifts from our donors that are specifically transferred to country programmes to fund charitable activities.

** Any Negative balances have been carried forward on funds where a reasonable expectation exists that funds will be received in a future period from the donor to meet the costs already incurred.

During the year £2,748k was expended in support of a phased expansion into existing countries and the implementation of overseas programmes that deliver sustainable change through our Theory of Change.

Grants amounting to £163k were received from Brooke USA, with the majority of the grant coming from one major donor and going to funding our work in Ethiopia, in a new area in Oromia State. Additionally donations totalling £27k were received from Brooke Netherlands in 2015/16 all of which was restricted to our work on Pakistan and India.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR YEAR ENDED 31 MARCH 2016

	Unrestricted Funds £	Restricted Funds £	Total £
Group			
Intangible Assets	173,669	0	173,669
Tangible Assets	397,358	0	397,358
Investments	15,462,472	0	15,462,472
Current Assets	3,147,647	237,720	3,385,367
Current Liabilities	(9,031,525)	0	(9,031,525)
Net Assets	10,387,341	237,720	10,387,341
Charity			
Intangible Assets	173,669	0	173,669
Tangible Assets	397,358	0	397,358
Investments	15,462,472	0	15,462,472
Current Assets	3,147,647	237,720	3,385,367
Current Liabilities	(9,031,525)	0	(9,031,525)
Net Assets	10,387,341	237,720	10,387,341



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Company number 4119581
A company limited by guarantee
A charity registered with the Charity Commission
Charity No.1085760



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In India, workers gather gravel in the river bed to sell to the building industry making between 200-300 rupees per animal per day.

Photo: Freya Dowson



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